

APPENDICES: Kellogg Company Q3 2017 Financial Results Presentation

October 31, 2017

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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 September 30, 2017

Year-to-date period ended September 30, 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
Mark-to-market	\$ —	\$ 69	\$ 35	\$ (104)	\$ —	\$ 90	\$ 28	\$ (118)
Project K and cost reduction activities	—	(9)	10	(1)	—	26	213	(239)
Integration and transaction costs	—	—	1	(1)	—	—	2	(2)
Acquisitions	52	30	20	2	153	88	53	12
Foreign currency impact	21	11	6	4	(34)	(24)	1	(11)
Comparable adjustments	\$ 73	\$ 101	\$ 72	\$ (100)	\$ 119	\$ 180	\$ 297	\$ (358)

Quarter ended October 1, 2016

Year-to-date period ended October 1, 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
Mark-to-market	\$ —	\$ 3	\$ 28	\$ (31)	\$ —	\$ 12	\$ 23	\$ (35)
Project K and cost reduction activities	—	12	28	(40)	—	66	98	(164)
Integration and transaction costs	—	—	2	(2)	—	1	2	(3)
Venezuela operations impact	7	5	(1)	3	23	14	1	8
Venezuela remeasurement	—	—	—	—	—	12	1	(13)
Comparable adjustments	\$ 7	\$ 20	\$ 57	\$ (70)	\$ 23	\$ 105	\$ 125	\$ (207)

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

Exhibit 2

	Quarter ended September 30, 2017				Year-to-date period ended September 30, 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
Mark-to-market (pre-tax)	\$ —	\$ —	\$ (104)	\$ (0.30)	\$ —	\$ —	\$ (118)	\$ (0.34)
Project K and cost reduction activities (pre-tax)	—	—	(1)	—	—	—	(239)	(0.68)
Integration and transaction costs (pre-tax)	—	—	(1)	—	—	—	(2)	—
Income tax benefit applicable to adjustments, net*	—	(36)	36	0.10	—	(117)	117	0.33
Foreign currency impact	—	1	4	—	—	—	(10)	(0.03)
Comparable adjustments	\$ —	\$ (35)	\$ (66)	\$ (0.20)	\$ —	\$ (117)	\$ (252)	\$ (0.72)

	Quarter ended October 1, 2016				Year-to-date period ended October 1, 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
Mark-to-market (pre-tax)	\$ —	\$ —	\$ (31)	\$ (0.09)	\$ —	\$ —	\$ (35)	\$ (0.10)
Project K and cost reduction activities (pre-tax)	—	—	(40)	(0.11)	—	—	(164)	(0.46)
Other costs impacting comparability (pre-tax)	—	—	—	—	153	—	(153)	(0.43)
Integration and transaction costs (pre-tax)	—	—	(2)	(0.01)	—	—	(3)	(0.01)
Venezuela operations impact (pre-tax)	—	—	3	—	—	—	8	0.01
Venezuela remeasurement (pre-tax)	—	—	—	—	—	—	(11)	(0.03)
Income tax benefit applicable to adjustments, net*	—	(23)	23	0.07	—	(106)	106	0.31
Comparable adjustments	\$ —	\$ (23)	\$ (47)	\$ (0.14)	\$ 153	\$ (106)	\$ (252)	\$ (0.71)

* 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 September 30, 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
Reported net sales	\$ 710	\$ 760	\$ 290	\$ 420	\$ 2,180	\$ 599	\$ 240	\$ 254	\$ —	\$ 3,273
Acquisitions	—	—	—	—	—	4	48	—	—	52
Comparable net sales	\$ 710	\$ 760	\$ 290	\$ 420	\$ 2,180	\$ 595	\$ 192	\$ 254	\$ —	\$ 3,221
Foreign currency impact	—	—	—	7	7	7	6	1	—	21
Currency-neutral comparable net sales	\$ 710	\$ 760	\$ 290	\$ 413	\$ 2,173	\$ 588	\$ 186	\$ 253	\$ —	\$ 3,200

Quarter ended October 1, 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
Reported net sales	\$ 733	\$ 796	\$ 284	\$ 402	\$ 2,215	\$ 594	\$ 197	\$ 248	\$ —	\$ 3,254
Venezuela operations impact	—	—	—	—	—	—	7	—	—	7
Comparable net sales	\$ 733	\$ 796	\$ 284	\$ 402	\$ 2,215	\$ 594	\$ 190	\$ 248	\$ —	\$ 3,247

% change - 2017 vs. 2016:

Reported growth	(3.0)%	(4.5)%	1.9%	4.4%	(1.6)%	0.8 %	21.5 %	2.9 %	—%	0.6 %
Acquisitions	— %	— %	—%	—%	— %	0.7 %	24.4 %	— %	—%	1.6 %
Venezuela operations impact	— %	— %	—%	—%	— %	— %	(4.0)%	— %	—%	(0.2)%
Comparable growth	(3.0)%	(4.5)%	1.9%	4.4%	(1.6)%	0.1 %	1.1 %	2.9 %	—%	(0.8)%
Foreign currency impact	— %	— %	—%	1.5%	0.3 %	1.2 %	3.2 %	0.9 %	—%	0.6 %
Currency-neutral comparable growth	(3.0)%	(4.5)%	1.9%	2.9%	(1.9)%	(1.1)%	(2.1)%	2.0 %	—%	(1.4)%
Volume (tonnage)					(1.0)%	(2.5)%	(8.2)%	2.7 %	—%	(1.6)%
Pricing/mix					(0.9)%	1.4 %	6.1 %	(0.7)%	—%	0.2 %

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
Reported net sales	\$ 719	\$ 781	\$ 395	\$ 393	\$ 2,288	\$ 512	\$ 222	\$ 232	\$ —	\$ 3,254
Acquisitions	—	—	—	1	1	3	47	—	—	51
Comparable net sales	\$ 719	\$ 781	\$ 395	\$ 392	\$ 2,287	\$ 509	\$ 175	\$ 232	\$ —	\$ 3,203
Foreign currency impact	—	—	—	4	4	(39)	(6)	9	—	(32)
Currency-neutral comparable net sales	\$ 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
Reported net sales	\$ 767	\$ 832	\$ 376	\$ 414	\$ 2,389	\$ 598	\$ 192	\$ 216	\$ —	\$ 3,395
Venezuela operations impact	—	—	—	—	—	—	9	—	—	9
Comparable net sales	\$ 767	\$ 832	\$ 376	\$ 414	\$ 2,389	\$ 598	\$ 183	\$ 216	\$ —	\$ 3,386

% change - 2017 vs. 2016:

Reported growth	(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)%
Comparable growth	(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)%
Currency-neutral comparable growth	(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 - Second Quarter 2017 Reported Net Sales to Currency-Neutral Comparable Net Sales

Exhibit 5

Quarter 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
Reported net sales	\$ 679	\$ 803	\$ 276	\$ 391	\$ 2,149	\$ 566	\$ 234	\$ 238	\$ —	\$ 3,187
Acquisitions	—	—	—	—	—	4	46	—	—	50
Comparable net sales	\$ 679	\$ 803	\$ 276	\$ 391	\$ 2,149	\$ 562	\$ 188	\$ 238	\$ —	\$ 3,137
Foreign currency impact	—	—	—	(5)	(5)	(23)	(1)	6	—	(23)
Currency-neutral comparable net sales	\$ 679	\$ 803	\$ 276	\$ 396	\$ 2,154	\$ 585	\$ 189	\$ 232	\$ —	\$ 3,160

Quarter 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
Reported net sales	\$ 727	\$ 803	\$ 271	\$ 406	\$ 2,207	\$ 629	\$ 204	\$ 228	\$ —	\$ 3,268
Venezuela operations impact	—	—	—	—	—	—	7	—	—	7
Comparable net sales	\$ 727	\$ 803	\$ 271	\$ 406	\$ 2,207	\$ 629	\$ 197	\$ 228	\$ —	\$ 3,261

% change - 2017 vs. 2016:

Reported growth	(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)%
Comparable growth	(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)%
Currency-neutral comparable growth	(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 - Reported Net Sales to Currency-Neutral Comparable Net Sales

Exhibit 6

Year-to-date period ended September 30, 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
Reported net sales	\$ 2,108	\$ 2,344	\$ 961	\$ 1,204	\$ 6,617	\$ 1,677	\$ 696	\$ 724	\$ —	\$ 9,714
Acquisitions	—	—	—	1	1	11	141	—	—	153
Comparable net sales	\$ 2,108	\$ 2,344	\$ 961	\$ 1,203	\$ 6,616	\$ 1,666	\$ 555	\$ 724	\$ —	\$ 9,561
Foreign currency impact	—	—	—	6	6	(55)	(1)	16	—	(34)
Currency-neutral comparable net sales	\$ 2,108	\$ 2,344	\$ 961	\$ 1,197	\$ 6,610	\$ 1,721	\$ 556	\$ 708	\$ —	\$ 9,595

Year-to-date period ended October 1, 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
Reported net sales	\$ 2,227	\$ 2,431	\$ 931	\$ 1,222	\$ 6,811	\$ 1,821	\$ 593	\$ 692	\$ —	\$ 9,917
Venezuela operations impact	—	—	—	—	—	—	23	—	—	23
Comparable net sales	\$ 2,227	\$ 2,431	\$ 931	\$ 1,222	\$ 6,811	\$ 1,821	\$ 570	\$ 692	\$ —	\$ 9,894

% change - 2017 vs. 2016:

Reported growth	(5.3)%	(3.6)%	3.2%	(1.5)%	(2.9)%	(7.9)%	17.3 %	4.7%	—%	(2.0)%
Acquisitions	— %	— %	—%	0.1 %	— %	0.6 %	23.7 %	—%	—%	1.6 %
Venezuela operations impact	— %	— %	—%	— %	— %	— %	(3.8)%	—%	—%	(0.2)%
Comparable growth	(5.3)%	(3.6)%	3.2%	(1.6)%	(2.9)%	(8.5)%	(2.6)%	4.7%	—%	(3.4)%
Foreign currency impact	— %	— %	—%	0.4 %	0.1 %	(3.0)%	(0.2)%	2.4%	—%	(0.4)%
Currency-neutral comparable growth	(5.3)%	(3.6)%	3.2%	(2.0)%	(3.0)%	(5.5)%	(2.4)%	2.3%	—%	(3.0)%
Volume (tonnage)					(3.3)%	(7.4)%	(7.2)%	1.0%	—%	(4.1)%
Pricing/mix					0.3 %	1.9 %	4.8 %	1.3%	—%	1.1 %

Kellogg Company and Subsidiaries

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

Exhibit 7

	Quarter ended		Year-to-date period ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Reported gross profit	\$ 1,232	\$ 1,264	\$ 3,701	\$ 3,779
Mark-to-market (COGS)	(69)	(3)	(90)	(12)
Project K and cost reduction activities (COGS)	9	(12)	(26)	(66)
Integration and transaction costs (COGS)	—	—	—	(1)
Acquisitions (COGS)	22	—	65	—
Venezuela operations impact (COGS)	—	2	—	9
Venezuela remeasurement (COGS)	—	—	—	(12)
Comparable gross profit	\$ 1,270	\$ 1,277	\$ 3,752	\$ 3,861
Foreign currency impact	10		(10)	
Currency-neutral comparable gross profit	\$ 1,260		\$ 3,762	

Kellogg Company and Subsidiaries

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

Exhibit 8

	Quarter ended		Year-to-date period ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Reported gross margin	37.7 %	38.9 %	38.1 %	38.1 %
Mark-to-market (COGS)	(2.0)%	(0.1)%	(0.9)%	(0.1)%
Project K and cost reduction activities (COGS)	0.2 %	(0.4)%	(0.3)%	(0.7)%
Acquisitions (COGS)	0.1 %	— %	0.1 %	— %
Venezuela remeasurement (COGS)	— %	— %	— %	(0.1)%
Comparable gross margin	39.4 %	39.4 %	39.2 %	39.0 %
Foreign currency impact	— %		— %	
Currency-neutral comparable gross margin	39.4 %		39.2 %	

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

Exhibit 9

Quarter ended September 30, 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
Reported	\$ 141	\$ 14	\$ 76	\$ 65	\$ 296	\$ 72	\$ 23	\$ 25	\$ 48	\$ 464
Mark-to-market	—	—	—	—	—	—	—	—	(104)	(104)
Project K and cost reduction activities	(14)	(106)	—	(4)	(124)	(13)	(2)	(1)	139	(1)
Integration and transaction costs	—	—	—	—	—	—	(1)	—	—	(1)
Acquisitions	—	—	—	—	—	(1)	3	—	—	2
Comparable	\$ 155	\$ 120	\$ 76	\$ 69	\$ 420	\$ 86	\$ 23	\$ 26	\$ 13	\$ 568
Foreign currency impact	—	—	—	2	2	3	—	—	(1)	4
Currency-neutral comparable	\$ 155	\$ 120	\$ 76	\$ 67	\$ 418	\$ 83	\$ 23	\$ 26	\$ 14	\$ 564

Quarter ended October 1, 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
Reported	\$ 144	\$ 78	\$ 68	\$ 43	\$ 333	\$ 78	\$ 27	\$ 21	\$ (49)	\$ 410
Mark-to-market	—	—	—	—	—	—	—	—	(31)	(31)
Project K and cost reduction activities	(4)	(8)	(1)	(7)	(20)	(6)	(2)	(2)	(10)	(40)
Integration and transaction costs	—	—	—	—	—	(1)	1	—	(2)	(2)
Venezuela operations impact	—	—	—	—	—	—	3	—	—	3
Comparable	\$ 148	\$ 86	\$ 69	\$ 50	\$ 353	\$ 85	\$ 25	\$ 23	\$ (6)	\$ 480

% change - 2017 vs. 2016:

Reported growth	(2.6)%	(82.5)%	12.2%	52.8%	(11.2)%	(9.2)%	(13.2)%	18.7%	197.0 %	13.1 %
Mark-to-market	— %	— %	—%	—%	— %	— %	— %	—%	(721.7)%	(15.6)%
Project K and cost reduction activities	(6.8)%	(121.3)%	0.7%	12.7%	(30.3)%	(9.3)%	(1.7)%	7.0%	647.7 %	10.3 %
Integration and transaction costs	— %	— %	—%	0.2%	— %	1.3 %	(3.5)%	0.8%	(28.0)%	0.4 %
Acquisitions	— %	— %	—%	—%	— %	(0.3)%	8.7 %	—%	— %	0.4 %
Venezuela operations impact	— %	— %	—%	—%	— %	— %	(9.8)%	—%	(1.4)%	(0.7)%
Comparable growth	4.2 %	38.8 %	11.5%	39.9%	19.1 %	(0.9)%	(6.9)%	10.9%	300.4 %	18.3 %
Foreign currency impact	— %	— %	—%	2.0%	0.3 %	2.0 %	2.3 %	0.2%	4.4 %	0.8 %
Currency-neutral comparable growth	4.2 %	38.8 %	11.5%	37.9%	18.8 %	(2.9)%	(9.2)%	10.7%	296.0 %	17.5 %

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

Exhibit 10

Year-to-date period ended September 30, 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
Reported	\$ 477	\$ (8)	\$ 242	\$ 173	\$ 884	\$ 214	\$ 82	\$ 66	\$ 31	\$ 1,277
Mark-to-market	—	—	—	—	—	—	—	—	(118)	(118)
Project K and cost reduction activities	(16)	(305)	(1)	(13)	(335)	(21)	(6)	(5)	128	(239)
Integration and transaction costs	—	—	—	—	—	—	(2)	—	—	(2)
Acquisitions	—	—	—	(2)	(2)	(1)	15	—	—	12
Comparable	\$ 493	\$ 297	\$ 243	\$ 188	\$ 1,221	\$ 236	\$ 75	\$ 71	\$ 21	\$ 1,624
Foreign currency impact	—	—	—	1	1	(8)	(3)	2	(3)	(11)
Currency-neutral comparable	\$ 493	\$ 297	\$ 243	\$ 187	\$ 1,220	\$ 244	\$ 78	\$ 69	\$ 24	\$ 1,635

Year-to-date period ended October 1, 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
Reported	\$ 457	\$ 230	\$ 214	\$ 135	\$ 1,036	\$ 216	\$ 70	\$ 50	\$ (75)	\$ 1,297
Mark-to-market	—	—	—	—	—	—	—	—	(35)	(35)
Project K and cost reduction activities	(13)	(62)	(4)	(20)	(99)	(34)	(6)	(6)	(19)	(164)
Integration and transaction costs	—	—	—	—	—	(2)	1	—	(2)	(3)
Venezuela operations impact	—	—	—	—	—	—	8	—	—	8
Venezuela remeasurement	—	—	—	—	—	—	(13)	—	—	(13)
Comparable	\$ 470	\$ 292	\$ 218	\$ 155	\$ 1,135	\$ 252	\$ 80	\$ 56	\$ (19)	\$ 1,504

% change - 2017 vs. 2016:

Reported growth	4.3 %	(103.7)%	13.2%	28.8 %	(14.7)%	(1.2)%	17.6 %	32.7%	141.1 %	(1.6)%
Mark-to-market	— %	— %	—%	— %	— %	— %	— %	—%	(335.9)%	(6.3)%
Project K and cost reduction activities	(0.6)%	(105.3)%	1.6%	8.2 %	(22.2)%	5.0 %	0.7 %	5.8%	270.8 %	(4.5)%
Integration and transaction costs	— %	— %	—%	0.1 %	0.1 %	0.7 %	(3.0)%	1.0%	(8.3)%	0.1 %
Acquisitions	— %	— %	—%	(1.2)%	(0.2)%	(0.3)%	19.2 %	—%	— %	0.8 %
Venezuela operations impact	— %	— %	—%	— %	— %	— %	(13.0)%	—%	(1.6)%	(0.6)%
Venezuela remeasurement	— %	— %	—%	— %	— %	— %	18.4 %	—%	— %	0.9 %
Comparable growth	4.9 %	1.6 %	11.6%	21.7 %	7.6 %	(6.6)%	(4.7)%	25.9%	216.1 %	8.0 %
Foreign currency impact	— %	— %	—%	0.5 %	0.1 %	(3.3)%	(2.8)%	3.4%	(15.9)%	(0.7)%
Currency-neutral comparable growth	4.9 %	1.6 %	11.6%	21.2 %	7.5 %	(3.3)%	(1.9)%	22.5%	232.0 %	8.7 %

Kellogg Company and Subsidiaries

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

Exhibit 11

Quarter ended September 30, 2017											
	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	North America Other	Total North America	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated	
	<i>Basis points change</i>										%
Reported	—	(8.0)	2.4	4.9	(1.4)	(1.3)	(3.8)	1.3	—	1.6	14.2 %
Mark-to-market	—	—	—	—	—	—	—	—	—	(2.2)	(3.1)%
Project K and cost reduction activities	(1.5)	(12.9)	0.1	0.7	(4.7)	(1.2)	0.1	0.4	—	1.2	(0.1)%
Integration and transaction costs	—	—	—	—	—	0.2	(0.4)	0.1	—	—	— %
Acquisitions	—	—	—	—	—	(0.1)	(1.5)	—	—	(0.2)	(0.2)%
Venezuela operations impact	—	—	—	—	—	—	(1.0)	—	—	—	— %
Comparable	1.5	4.9	2.3	4.2	3.3	(0.2)	(1.0)	0.8	—	2.8	17.6 %
Foreign currency impact	—	—	—	—	—	0.1	—	—	—	—	— %
Currency-neutral comparable	1.5	4.9	2.3	4.2	3.3	(0.3)	(1.0)	0.8	—	2.8	17.6 %

Kellogg Company and Subsidiaries

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

Exhibit 12

Year-to-date period ended September 30, 2017

	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	North America Other	Total North America	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated	
	<i>Basis points change</i>										%
Reported	2.0	(9.9)	2.2	3.4	(1.8)	0.8	0.1	1.9	—	—	13.1 %
Mark-to-market	—	—	—	—	—	—	—	—	—	(1.0)	(1.3)%
Project K and cost reduction activities	(0.3)	(10.5)	0.2	0.5	(3.5)	0.5	0.2	0.2	—	(0.7)	(2.4)%
Integration and transaction costs	—	—	—	0.1	—	0.1	(0.3)	0.1	—	—	— %
Acquisitions	—	—	—	(0.1)	(0.1)	(0.1)	(0.7)	—	—	(0.2)	(0.2)%
Venezuela operations impact	—	—	—	—	—	—	(1.0)	—	—	(0.1)	— %
Venezuela remeasurement	—	—	—	—	—	—	2.2	—	—	0.2	— %
Comparable	2.3	0.6	2.0	2.9	1.8	0.3	(0.3)	1.6	—	1.8	17.0 %
Foreign currency impact	—	—	—	—	—	(0.1)	(0.4)	—	—	—	— %
Currency-neutral comparable	2.3	0.6	2.0	2.9	1.8	0.4	0.1	1.6	—	1.8	17.0 %

Kellogg Company and Subsidiaries

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

Exhibit 13

	Quarter ended		Year-to-date period ended	
	September 30, 2017	October 1, 2016	September 30, 2017	October 1, 2016
Reported effective tax rate	26.3 %	17.5 %	22.9 %	22.3 %
Mark-to-market	(2.0)%	(1.8)%	(1.0)%	(0.3)%
Project K and cost reduction activities	0.5 %	(0.8)%	(1.4)%	(0.5)%
Other costs impacting comparability	— %	— %	— %	(1.4)%
Venezuela operations impact	— %	0.1 %	— %	— %
Venezuela remeasurement	— %	— %	— %	0.2 %
Comparable effective tax rate	27.8 %	20.0 %	25.3 %	24.3 %

Kellogg Company and Subsidiaries

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

Exhibit 14

	Quarter ended			Year-to-date period ended		
	September 30, 2017	October 1, 2016	Growth rate	September 30, 2017	October 1, 2016	Growth rate
Reported diluted EPS	\$ 0.85	\$ 0.82	3.7%	\$ 2.39	\$ 2.11	13.3%
Mark-to-market (pre-tax)	(0.30)	(0.09)		(0.34)	(0.10)	
Project K and cost reduction activities (pre-tax)	—	(0.11)		(0.68)	(0.46)	
Other costs impacting comparability (pre-tax)	—	—		—	(0.43)	
Integration and transaction costs (pre-tax)	—	(0.01)		—	(0.01)	
Venezuela operations impact (pre-tax)	—	—		—	0.01	
Venezuela remeasurement (pre-tax)	—	—		—	(0.03)	
Income tax benefit applicable to adjustments, net*	0.10	0.07		0.33	0.31	
Comparable diluted EPS	\$ 1.05	\$ 0.96	9.4%	\$ 3.08	\$ 2.82	9.2%
Foreign currency impact	—			(0.03)		
Currency-neutral comparable diluted EPS	\$ 1.05		9.4%	\$ 3.11		10.3%

* 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 15

(millions)	Year-to-date period ended	
	September 30, 2017	October 1, 2016
Operating activities		
Net Income	\$ 841	\$ 747
Adjustments to reconcile net income to operating cash flows:		
Depreciation and amortization	366	357
Postretirement benefit plan expense (benefit)	(191)	(53)
Deferred income taxes	(20)	(26)
Stock compensation	53	45
Other	32	(3)
Postretirement benefit plan contributions	(33)	(29)
Changes in operating assets and liabilities, net of acquisitions	73	(17)
Net cash provided by (used in) operating activities	1,121	1,021
Less:		
Additions to properties	(374)	(376)
Cash flow (operating cash flow less property additions) (a)	\$ 747	\$ 645

(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 16

	Net sales	Operating profit	EPS
Currency-Neutral Comparable Guidance	(3.0%)	7.0% - 9.0%	\$4.03 - \$4.09
Foreign currency impact	(0.5%)	(0.6%)	(\$.03)
Comparable Guidance	(3.5%)	6.4% - 8.4%	\$4.00 - \$4.06
Impact of certain items that are excluded from Non-GAAP guidance:			
Project K and cost reduction activities (pre-tax)	—	1.9% - (1.5%)	(\$1.07) - (\$.93)
Integration costs (pre-tax)	—	0.3%	(\$.02)
Acquisitions/dispositions (pre-tax)	1.4%	0.7%	\$.07
Income tax benefit applicable to adjustments, net**			\$.31 - \$.27

* 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 Full Year 2017
Net cash provided by (used in) operating activities	\$1,600 - \$1,700
Additions to properties	(\$500)
Cash Flow	\$1,100 - \$1,200

Exhibit 17 - 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 \$1 million and \$238 million for the quarter and year-to-date periods ended September 30, 2017, respectively. We also recorded pre-tax charges of \$36 million and \$143 million for the quarter and year-to-date periods ended October 1, 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 \$1 million for the year-to-date period ended September 30, 2017. We also incurred pre-tax charges of \$4 million and \$21 million for the quarter and year-to-date periods ended October 1, 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. In our Latin America reportable segment, for the quarter ended September 30, 2017 the acquisition added \$48 million in net sales and \$3 million of operating profit (before integration costs) that impacted the comparability of our reported results. For the year-to-date period ended September 30, 2017 the acquisition added \$141 million in net sales and \$15 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 pre-tax mark-to-market charges of \$104 million and \$31 million for quarters ended September 30, 2017 and October 1, 2016, respectively, and \$118 million and \$35 million for the year-to-date periods ended September 30, 2017 and October 1, 2016, respectively. Included within the aforementioned charges are pre-tax mark-to-market charges for pension plans of \$76 million and \$28 million for the quarters ended September 30, 2017 and October 1, 2016, respectively, and \$73 million and \$62 million for the year-to-date periods ended September 30, 2017 and October 1, 2016, respectively.

Exhibit 17 - 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 October 1, 2016 the deconsolidation reduced net sales by \$7 million and operating profit by \$3 million which impacted the comparability of our reported results. For the year-to-date period ended October 1, 2016 the deconsolidation reduced net sales by \$23 million and operating profit by \$8 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 operating profit impact of \$13 million for year-to-date periods ended October 1, 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.