



**Forward-Looking Statements**



This presentation contains, or incorporates by reference, "forward-looking statements" with projections concerning, among other things, the Company's global growth and efficiency program (Project K), the integration of the Pringles® business, the Company's strategy, and the Company's sales, earnings, margin, operating profit, costs and expenditures, interest expense, tax rate, capital expenditure, dividends, cash flow, debt reduction, share repurchases, costs, charges, rates of return, brand building, ROIC, working capital, growth, new products, innovation, cost reduction projects, workforce reductions, savings, and competitive pressures. Forward-looking statements include predictions of future results or activities and may contain the words "expects," "believes," "should," "will," "anticipates," "projects," "estimates," "implies," "can," or words or phrases of similar meaning.

The Company's actual results or activities may differ materially from these predictions. The Company's future results could also be affected by a variety of factors, including the ability to implement Project K as planned, whether the expected amount of costs associated with Project K will differ from forecasts, whether the Company will be able to realize the anticipated benefits from Project K in the amounts and times expected, the ability to realize the anticipated benefits and synergies from the Pringles acquisition in the amounts and at the times expected, the impact of competitive conditions; the effectiveness of pricing, advertising, and promotional programs; the success of innovation, renovation and new product introductions; the recoverability of the carrying value of goodwill and other intangibles; the success of productivity improvements and business transitions; commodity and energy prices; labor costs; disruptions or inefficiencies in supply chain; the availability of and interest rates on short-term and long-term financing; actual market performance of benefit plan trust investments; the levels of spending on systems initiatives, properties, business opportunities, integration of acquired businesses, and other general and administrative costs; changes in consumer behavior and preferences; the effect of U.S. and foreign economic conditions on items such as interest rates, statutory tax rates, currency conversion and availability; legal and regulatory factors including changes in food safety, advertising and labeling laws and regulations; the ultimate impact of product recalls; business disruption or other losses from war, terrorist acts or political unrest; and other items.

Forward-looking statements speak only as of the date they were made, and the Company undertakes no obligation to update them publicly.

**Non-GAAP Financial Measures.** This presentation includes non-GAAP financial measures. Please refer to the Appendices for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures. Management believes that the use of such non-GAAP measures assists investors in understanding the underlying operating performance of the company and its segments.



## Overview of Second Quarter 2014



- Earnings per share *in-line with expectations*\*
- Sales and operating profit growth lower than expected due to the difficult environment
- Project K *continues to go well*
- *Increasing investment in, and focus on effectiveness of, industry-leading levels of brand building*

\* After adjusting for items impacting comparability. Please refer to appendices for reconciliation of non-GAAP measures to the most directly comparable GAAP measure.



## Project K Update



### Supply Chain – Efficiency

Announced planned closure of/reduction in capacity at plants in developed markets. Includes new announcements regarding U.S. Snacks and Europe

### Supply Chain – Investment


Announced increased capacity investment in emerging markets (India, Poland, Southeast Asia)


### Global Business Services


Announced a three-tiered model including North American and European regional service centers





## Brand-Building Investment























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## Summary of Financial Results

(\$ in millions, except EPS)

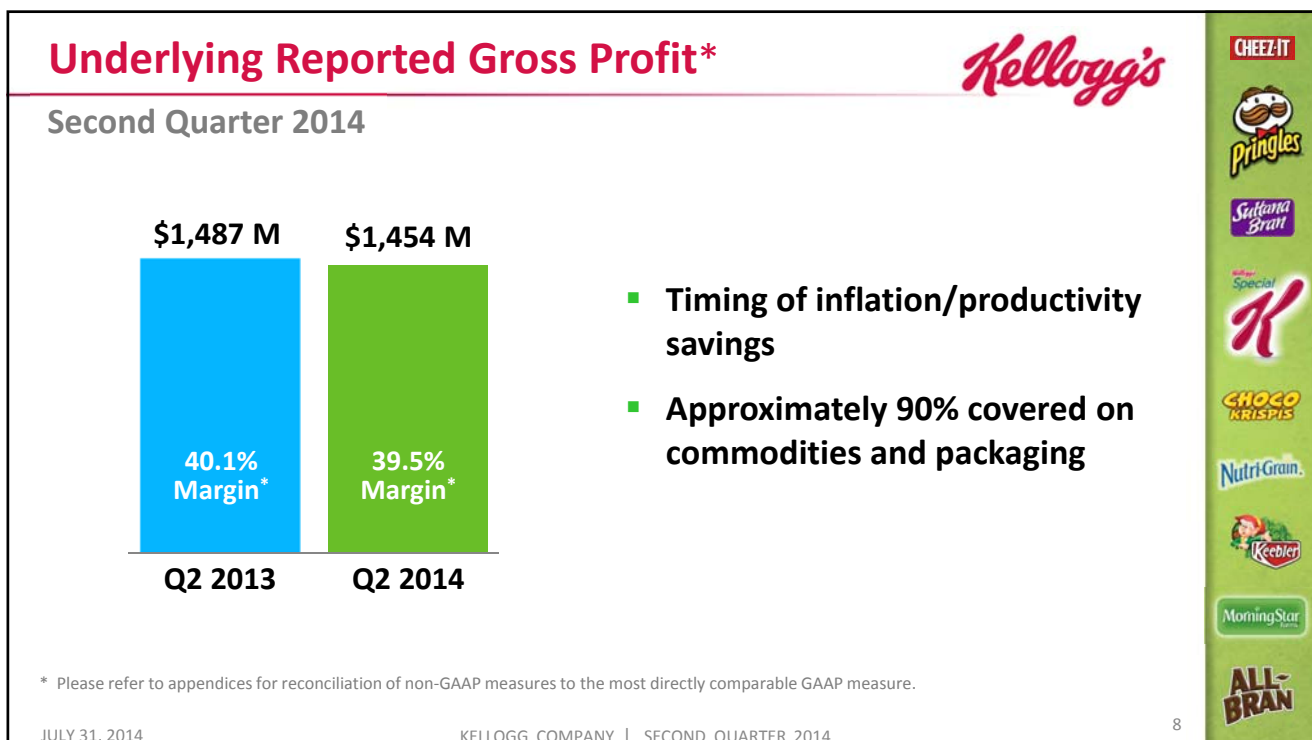
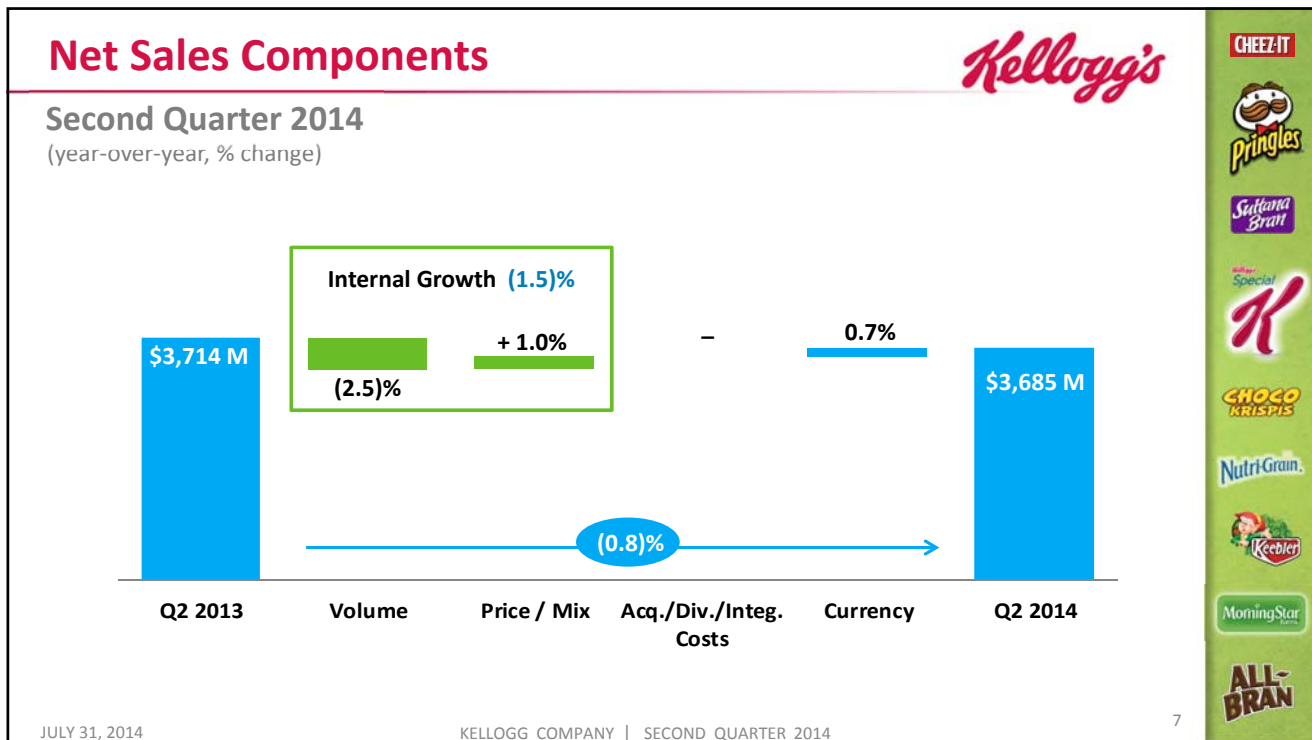
	Second Quarter 2014			Year-to-Date 2014		
	\$	Reported <sup>(a)</sup> Growth	Internal Growth	\$	Reported <sup>(a)</sup> Growth	Internal Growth
<b>Net Sales</b>	\$ 3,685	(0.8)%	(1.5)%	7,427	(2.0)%	(2.0)%
<b>Underlying Operating Profit*</b>	\$ 557	(4.5)%	(7.2)%	1,109	(3.9)%	(6.3)%
<b>Comparable EPS*</b>	\$ 1.02	0.0%		2.03	(0.5)%	

(a) For underlying operating profit and comparable EPS, reported growth amounts exclude the impact of mark-to-market adjustments and Project K costs.  
\* Please refer to appendices for reconciliation of non-GAAP measures to the most directly comparable GAAP measure.

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## Operating Profit Performance by Region



### Second Quarter 2014

(\$ in millions, underlying internal performance\* year-over-year % change )

	<i>Underlying Reported Dollars</i>	<i>Underlying Internal Growth</i>	
North America	\$422	(9)%	Lower-than-expected sales, investment in brand building, higher transportation costs
Europe	\$81	5%	Sales and strong productivity partially offset by an increase in brand building
Latin America	\$48	6%	Driven by top-line growth, partially as the result of the declining impact of a food tax in Mexico
Asia Pacific	\$7	(65)%	Due to increased investment in brand building and disruption to production from construction in South Africa

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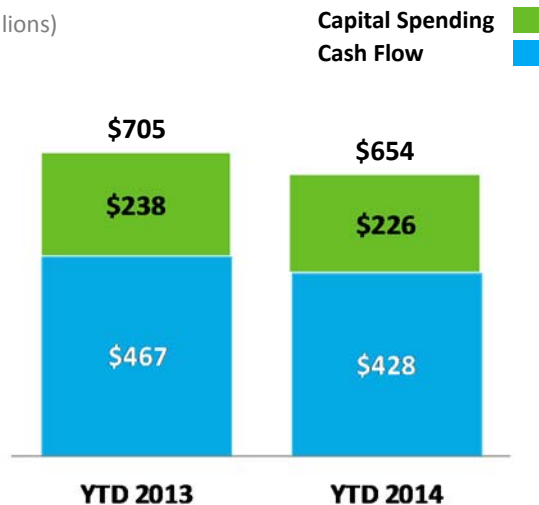


## Cash Flow\*



### Year-to-date 2014

(millions)



- Cash flow for the full year expected to be at the low end of \$1 billion to \$1.1 billion range
- Making good progress on supplier-financing initiative
- Capital investment for Pringles, Project K, and plant in India
- Full-year capital expenditure expected to be 4-5% of net sales

\* Please refer to appendices for reconciliation of non-GAAP measures to the most directly comparable GAAP measure.

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2014 Outlook – Guidance		<i>Kellogg's</i>
<b>Internal Net Sales<sup>(a)</sup></b>		<b>-1% to -2%</b>
<b>Underlying Internal Operating Profit<sup>(a)</sup></b>		<b>-1% to -3%</b>
<b>Currency-Neutral Comparable EPS<sup>(b)</sup></b>		<b>-1% to +1%</b>
<b>Operating Cash Flow (after capital expenditure)</b>	<b>Low end of \$1b – \$1.1b</b>	

(a) 2014 guidance excludes the impact of acquisitions, dispositions, currency translation, the 53<sup>rd</sup> week, mark-to-market adjustments, integration costs and costs related to Project K.


(b) 2014 guidance excludes the impact of currency translation, the 53<sup>rd</sup> week, mark-to-market adjustments, integration costs, costs related to Project K, and other items impacting comparability.



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2014 Outlook – Guidance		<i>Kellogg's</i>
<i>2013 Comparable earnings per share (EPS)</i>		<b>\$3.77</b>
<b>Up-front Costs</b>		<b>0.08</b>
<i>2013 adjusted comparable EPS</i>		<b>\$3.85</b>
<b>EPS growth (-1 to +1%)</b>		
<i>Currency-neutral comparable 2014 EPS<sup>(a)</sup></i>		<b>\$3.81 - \$3.89</b>
<i>Current estimate for impact of currency</i>		<b>0.03</b>
<i>Comparable 2014 EPS (excluding 53<sup>rd</sup> week)</i>		<b>\$3.84 - \$3.92</b>
<b>53<sup>rd</sup> Week</b>		<b>approx. 0.07</b>
<i>2014 EPS (including 53<sup>rd</sup> week)</i>		<b>\$3.91 - \$3.99</b>
<b>Integration costs</b>	<b>\$(0.07) - (0.09)</b>	
<b>Project K costs</b>	<b>\$(0.60) - (0.65)</b>	

(a) 2014 guidance excludes the impact of currency translation, the 53<sup>rd</sup> week, mark-to-market adjustments, integration costs, costs related to Project K, and other items impacting comparability.



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## 2014 Outlook – Guidance

<b>Internal Net Sales<sup>(a)</sup></b>	<b>-1% to -2%</b>
<b>Underlying Internal Operating Profit<sup>(a)</sup></b>	<b>-1% to -3%</b>
<b>Currency-Neutral Comparable EPS<sup>(b)</sup></b>	<b>-1% to +1%</b>
<b>Operating Cash Flow <i>(after capital expenditure)</i></b>	<b>Low end of \$1b – \$1.1b</b>

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## U.S. Morning Foods<sup>(a)</sup>

### Second Quarter 2014

(internal net sales growth, \* year-over-year change)

	<b>\$911</b>	<b>\$863</b>	<b>\$883</b>	<b>\$808</b>		
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>		
	<b>2013</b>					
					<b>\$861</b>	<b>\$820</b>
					<b>Q1</b>	<b>Q2</b>
					<b>2014</b>	

(a) Includes U.S. cereal, Pop-Tarts, health and wellness bars, and beverage businesses.  
 \* Please refer to appendices for reconciliation of non-GAAP measures to the most directly comparable GAAP measure.

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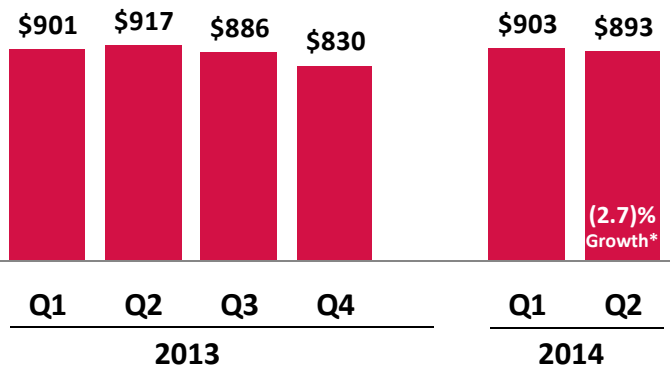





## U.S. Snacks<sup>(a)</sup>

### Second Quarter 2014

(internal net sales growth, \* year-over-year change)



2013				2014	
Q1	Q2	Q3	Q4	Q1	Q2
\$901	\$917	\$886	\$830	\$903	\$893
				(2.7)% Growth*	




(a) Includes U.S. cookies, crackers, cereal bars, savory snacks, and fruit-flavored snack businesses.

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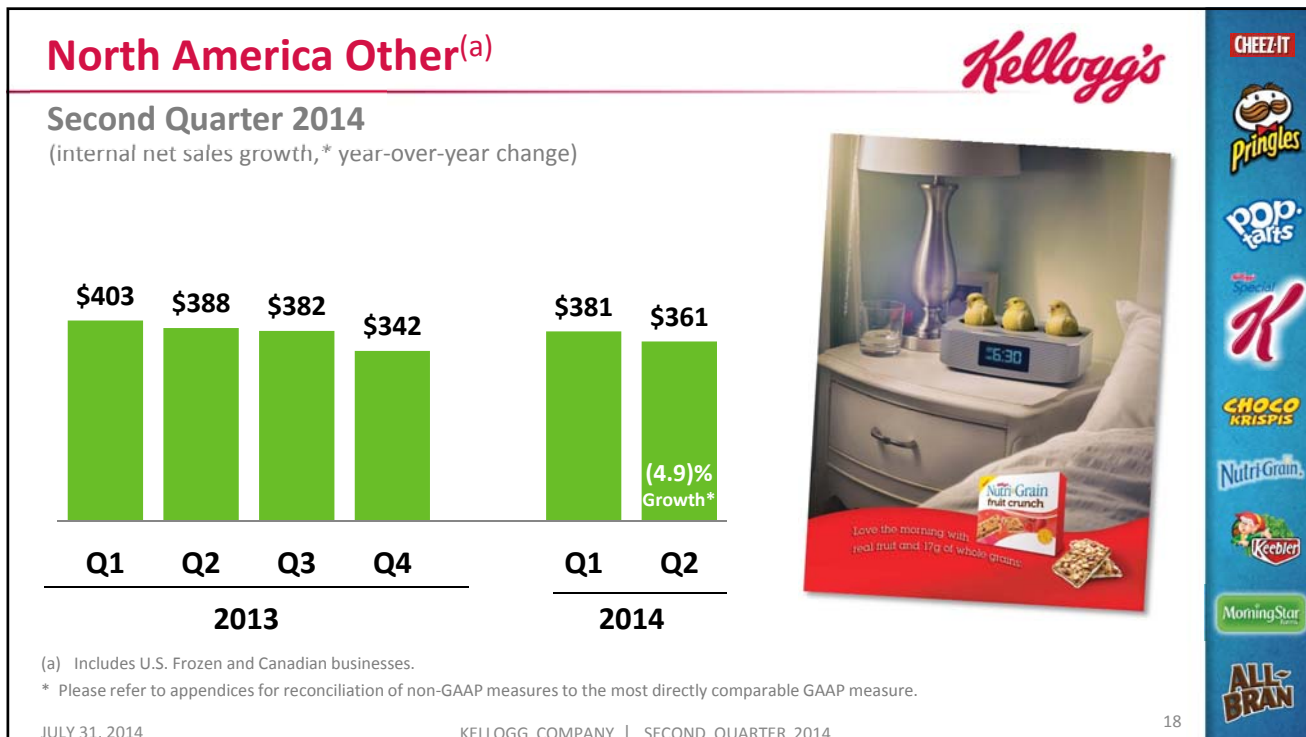
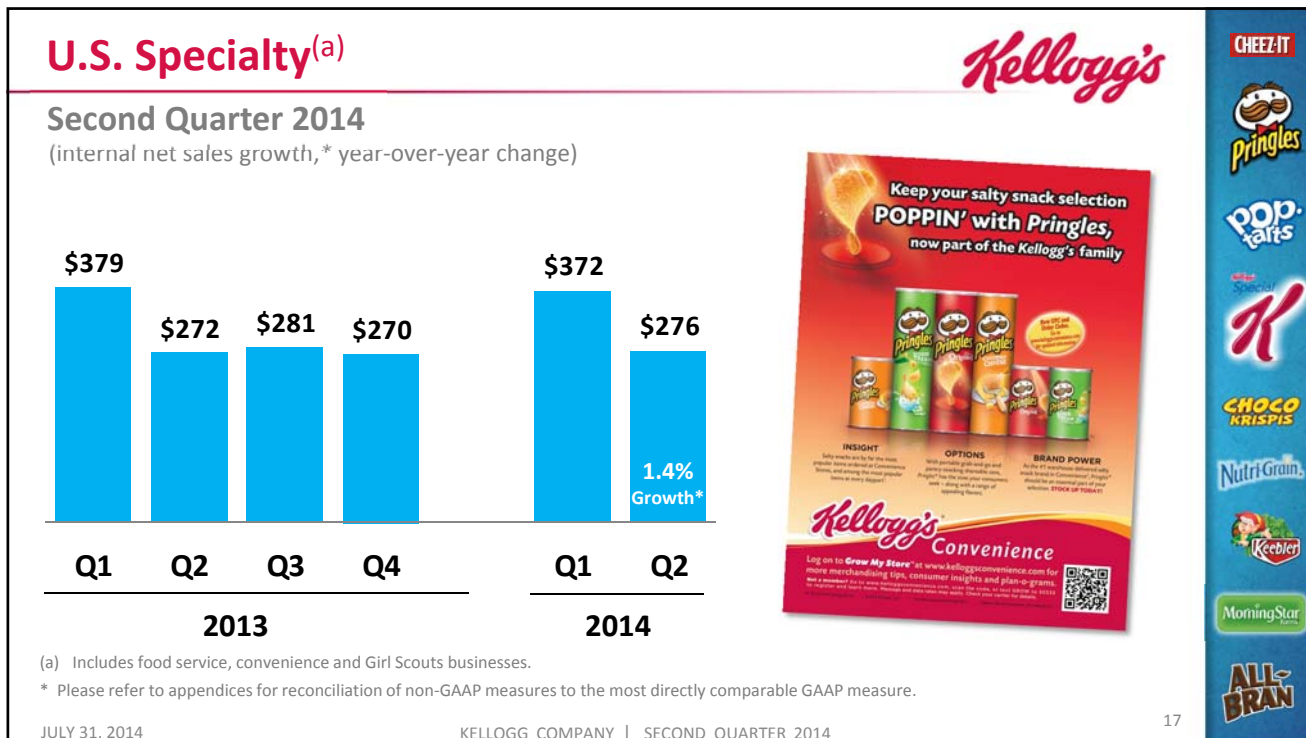
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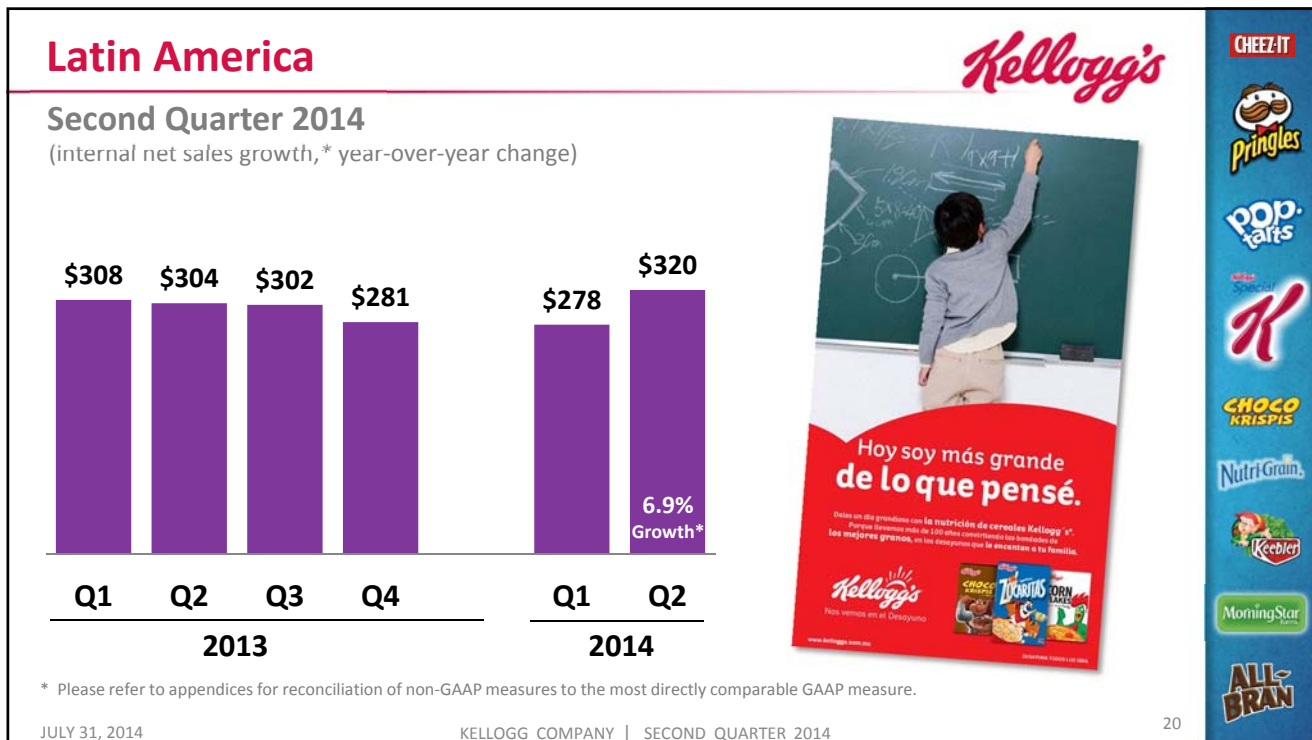
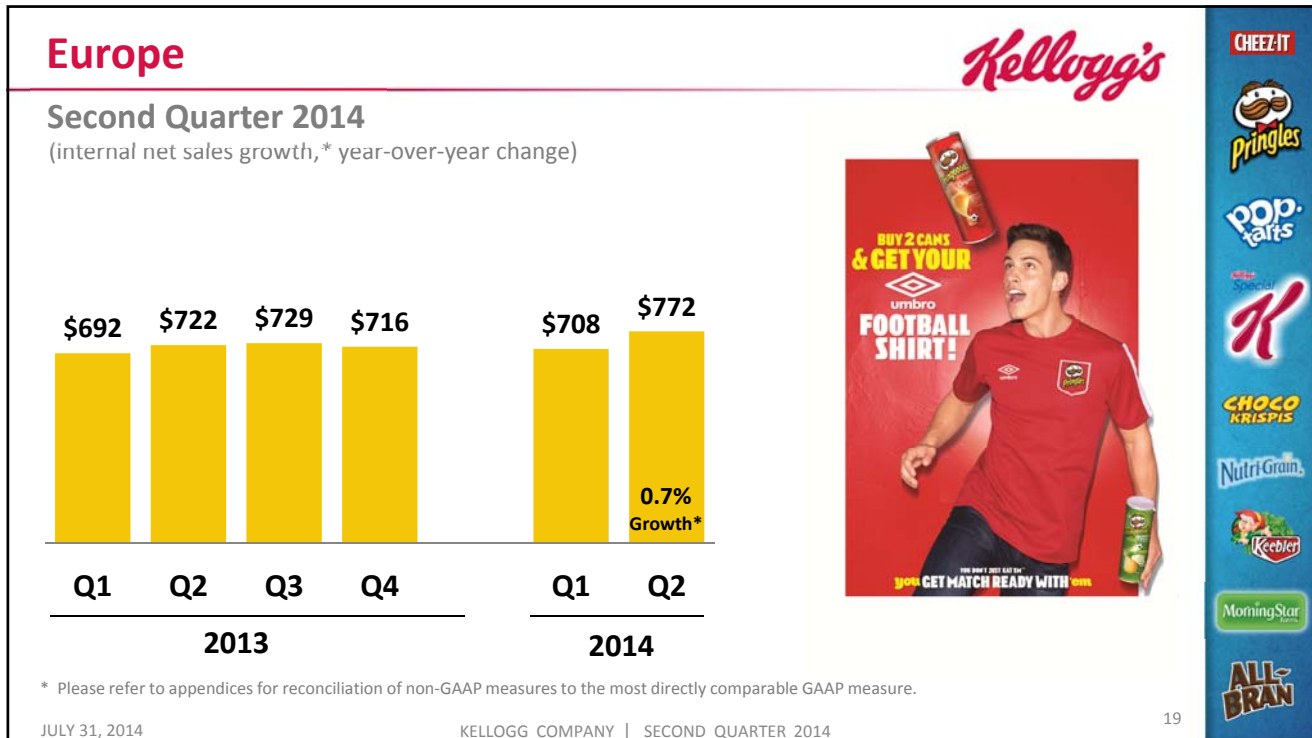
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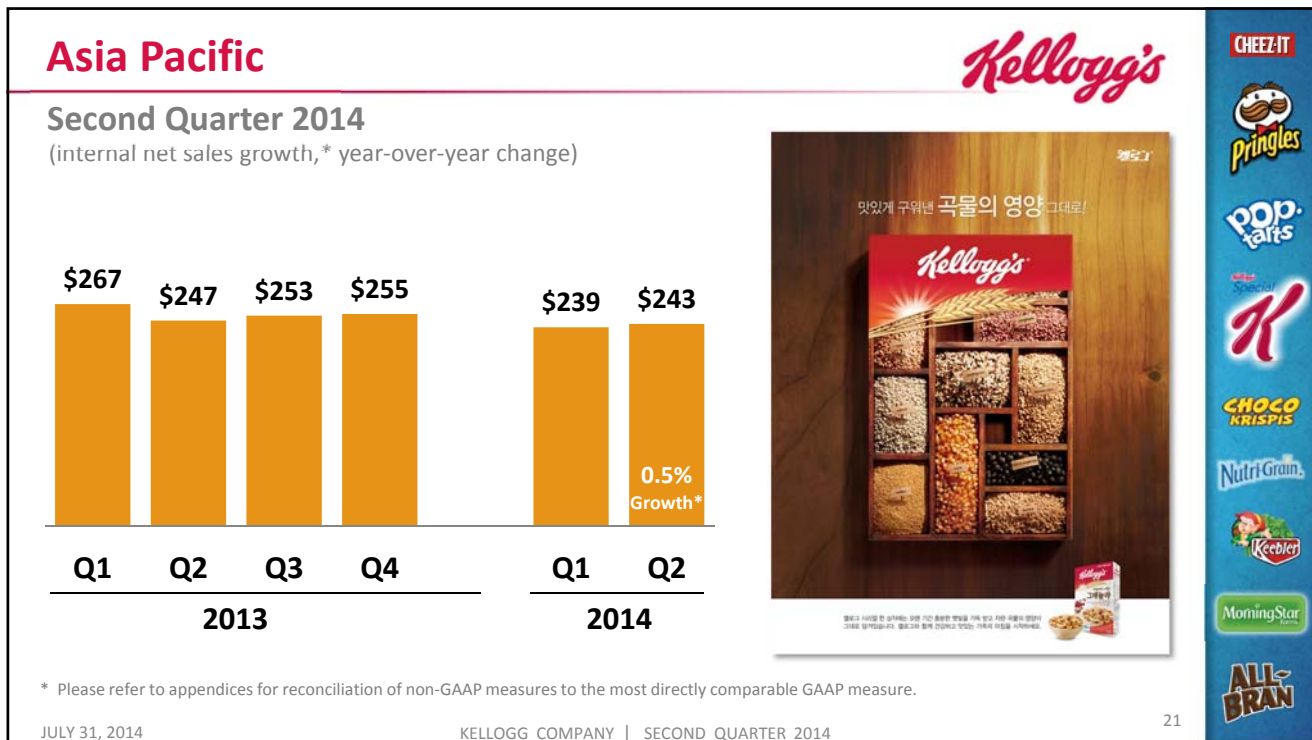
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