

Appendix 1

Reconciliation of Kellogg-Defined Cash Flow to GAAP Cash Flow^(a)

(unaudited)	Quarter ended	
	March 30, 2013	March 31, 2012
Operating activities		
Net income	\$311	\$351
Adjustments to reconcile net income to operating cash flows:		
Depreciation and amortization	113	95
Postretirement benefit plan expense (benefit)	(4)	(5)
Deferred income taxes	11	(54)
Other	23	(1)
Postretirement benefit plan contributions	(31)	(25)
Changes in operating assets and liabilities, net of acquisitions	(85)	(21)
Net cash provided by (used in) operating activities	338	340
Less:		
Additions to properties	(102)	(63)
Cash flow	\$236	\$277

a) Cash flow is defined as net cash provided by operating activities less capital expenditures. The Company uses 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.



Appendix 2

Analysis of Net Sales and Operating Profit Performance

First quarter of 2013 versus 2012

(dollars in millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	North America Other	North America	Europe	Latin America	Asia Pacific	Corp- orate	Consoli- dated
2013 net sales	\$ 911	\$ 901	\$ 379	\$ 403	\$ 2,594	\$ 692	\$ 308	\$ 267	\$ -	\$ 3,861
2012 net sales	\$ 897	\$ 786	\$ 348	\$ 368	\$ 2,399	\$ 538	\$ 270	\$ 233	\$ -	\$ 3,440
% change - 2013 vs. 2012:										
Volume (tonnage) (a)					1.2%	1.6%	.2%	5.0%	-	1.4%
Pricing/mix					.5%	1.0%	7.2%	-4.7%	-	.8%
Subtotal - internal business (b)	1.6%	-1.7%	3.4%	7.4%	1.7%	2.6%	7.4%	.3%	-	2.2%
Acquisitions (c)	-%	16.3%	5.3%	3.2%	6.6%	27.3%	8.6%	20.8%	-	11.0%
Dispositions (d)	-%	-%	-%	-%	-%	-%	-%	-1.7%	-	-1.1%
Integration impact (e)	-%	-%	-%	-2%	-1%	-%	-%	-4%	-	-1%
Foreign currency impact	-%	-%	-%	-6%	-1%	-1.2%	-2.3%	-4.3%	-	-8%
Total change	1.6%	14.6%	8.7%	9.8%	8.1%	28.7%	13.7%	14.7%	-	12.2%

(dollars in millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	North America Other	North America	Europe	Latin America	Asia Pacific	Corp- orate	Consoli- dated
2013 operating profit	\$ 163	\$ 106	\$ 78	\$ 75	\$ 422	\$ 71	\$ 48	\$ 21	\$ (59)	\$ 503
2012 operating profit	\$ 153	\$ 123	\$ 71	\$ 70	\$ 417	\$ 70	\$ 51	\$ 33	\$ (44)	\$ 527
% change - 2013 vs. 2012:										
Internal business (b)	5.9%	-25.6%	6.4%	4.5%	-3.5%	.1%	-5.6%	-30.6%	-19.7%	-6.9%
Acquisitions (c)	-%	15.3%	4.6%	3.9%	5.9%	14.2%	6.2%	15.2%	-3.1%	7.9%
Dispositions (d)	-%	-%	-%	-%	-%	-%	-%	-4.7%	-%	-3%
Integration impact (e)	-%	-3.0%	-%	-1.2%	-1.1%	-11.1%	-3%	-14.2%	-6.3%	-3.8%
Foreign currency impact	-%	-%	-%	-7%	-1%	-2.0%	-7.6%	-1.7%	-1.0%	-1.4%
Total change	5.9%	-13.3%	11.0%	6.5%	1.2%	1.2%	-7.3%	-36.0%	-30.1%	-4.5%

- a) The Company measures the volume impact (tonnage) on revenues based on the stated weight of product shipments.
- b) Internal net sales and operating profit growth for 2013 exclude the impact of acquisitions, divestitures, integration costs and the impact of currency. Internal net sales and operating profit growth are non-GAAP financial measures which are reconciled to the directly comparable measures in accordance with U.S. GAAP within these tables.
- c) Impact of results for the quarter ended March 30, 2013 from the acquisition of Pringles.
- d) Impact of results for the quarter ended March 30, 2013 from the divestiture of Navigable Foods.
- e) Includes impact of integration costs associated with the Pringles acquisition.



Appendix 3

Reconciliation of Non-GAAP Amounts – Reported Operating Profit Growth to Underlying Internal Operating Profit Growth

	Quarter ended March 30, 2013
Reported Operating Profit Growth	-4.5%
Acquisitions/Dispositions	7.6%
Integration costs	-3.8%
Foreign currency	-1.4%
Internal Operating Profit Growth^(a)	-6.9%
Mark-to-market ^(b)	-1.1%
Underlying Internal Operating Profit Growth^(c)	-5.8%

- (a) Internal operating profit growth excludes the impact of foreign currency, and, if applicable, acquisitions, dispositions, and transaction and integration costs associated with the acquisition of Pringles. The Company believes the use of this non-GAAP measure provides increased transparency and assists in understanding underlying operating performance. This non-GAAP measure is reconciled to the directly comparable measure in accordance with U.S. GAAP within this table.
- (b) Includes mark-to-market adjustments for pension plans and commodity contracts as reflected in cost of goods sold. Actuarial gains/losses for pension plans are recognized in the year they occur. In 2012, asset returns exceeded expectations but discount rates fell almost 100 basis points for pension plans resulting in a net loss. A portion of the 2012 pension mark-to-market adjustment was capitalized as an inventoriable cost at the end of 2012. This amount has been recorded in earnings in the current quarter. Mark-to-market adjustments for commodities reflect the changes in the fair value of contracts for the difference between contract and market prices for the underlying commodities. The resulting gains/losses are recognized in the quarter they occur.
- (c) Underlying internal operating profit growth excludes the impact of foreign currency translation, pension and commodity mark-to-market adjustments, and, if applicable, acquisitions, dispositions, and transaction and integration costs associated with the acquisition of Pringles. The Company believes the use of this non-GAAP measure provides increased transparency and assists in understanding the underlying operating performance. This non-GAAP measure is reconciled to the directly comparable measure in accordance with U.S. GAAP within this table.



Appendix 4

Reconciliation of Non-GAAP Amounts – Reported Operating Profit to Comparable Operating Profit

	Quarter ended	
	March 30, 2013	March 31, 2012
Reported Operating Profit	\$ 503.2	\$ 526.7
Mark-to-market ^(a)	(53.7)	(50.6)
Underlying Operating Profit^(b)	\$ 556.9	\$ 577.3
Pringles integration costs	(20.1)	-
Comparable Operating Profit^(c)	\$ 577.0	\$ 577.3

- (a) Includes mark-to-market adjustments for pension plans and commodity contracts as reflected in cost of goods sold. Actuarial gains/losses for pension plans are recognized in the year they occur. In 2012, asset returns exceeded expectations but discount rates fell almost 100 basis points for pension plans resulting in a net loss. A portion of the 2012 pension mark-to-market adjustment was capitalized as an inventoriable cost at the end of 2012. This amount has been recorded in earnings in the current quarter. In 2011, asset returns were lower than expected and discount rates declined. A portion of the 2011 pension mark-to-market adjustment was capitalized as an inventoriable cost at the end of 2011. This amount was recorded in earnings in the first quarter of 2012. Mark-to-market adjustments for commodities reflect the changes in the fair value of contracts for the difference between contract and market prices for the underlying commodities. The resulting gains/losses are recognized in the quarter they occur.
- (b) Underlying Operating Profit excludes the impact of mark-to-market adjustments on pension plans and commodity contracts. The Company believes the use of this non-GAAP measure provides increased transparency and assists in understanding underlying operating performance. This non-GAAP measure is reconciled to the directly comparable measure in accordance with U.S. GAAP within this table.
- (c) Comparable Operating Profit is a non-GAAP measure that excludes the impact of mark-to-market adjustments on pension plans and commodity contracts, and the impact of integration costs related to the acquisition of the Pringles business.



Appendix 5

Reconciliation of Non-GAAP Amounts – Reported EPS to Comparable EPS

	Quarter ended	
	March 30, 2013	March 31, 2012
Reported EPS	\$ 0.85	\$ 0.98
Mark-to-market ^(a)	(0.10)	(0.10)
Underlying EPS^(b)	\$ 0.95	\$ 1.08
Pringles Integration costs	(0.04)	-
Comparable EPS^(c)	\$ 0.99	\$ 1.08

- (a) Includes mark-to-market adjustments for pension plans and commodity contracts as reflected in cost of goods sold. Actuarial gains/losses for pension plans are recognized in the year they occur. In 2012, asset returns exceeded expectations but discount rates fell almost 100 basis points for pension plans resulting in a net loss. A portion of the 2012 pension mark-to-market adjustment was capitalized as an inventoriable cost at the end of 2012. This amount has been recorded in earnings in the current quarter. In 2011, asset returns were lower than expected and discount rates declined. A portion of the 2011 pension mark-to-market adjustment was capitalized as an inventoriable cost at the end of 2011. This amount was recorded in earnings in the first quarter of 2012. Mark-to-market adjustments for commodities reflect the changes in fair value of contracts for the difference between contract and market prices for the underlying commodities. The resulting gains/losses are recognized in the quarter they occur.
- (b) Underlying EPS is a non-GAAP measure that excludes the impact of pension and commodity mark-to-market adjustments.
- (c) Comparable EPS is a non-GAAP measure that excludes the impact of mark-to-market adjustments on pension plans and commodity contracts, and the impact of integration costs related to the acquisition of the Pringles business.



Appendix 6

Recast Segment Data

* During the first quarter of 2013, the Kashi operating segment was eliminated. The Kashi financial results have been recast between U.S. Morning Foods and U.S. Snacks.

2012 (millions)	Quarter ended				Year-to-date period ended		
	March 31, 2012	June 30, 2012	September 29, 2012	December 29, 2012	June 30, 2012	September 29, 2012	December 29, 2012
Net Sales (Recast*)							
U.S. Morning Foods	\$ 897	\$ 892	\$ 903	\$ 841	\$ 1,789	\$ 2,692	\$ 3,533
U.S. Snacks	786	850	908	856	1,636	2,544	3,400
U.S. Specialty	348	252	264	257	600	864	1,121
North America Other	368	369	388	360	737	1,125	1,485
North America Total	2,399	2,363	2,463	2,314	4,762	7,225	9,539
Europe	538	613	685	691	1,151	1,836	2,527
Latin America	270	274	292	285	544	836	1,121
Asia Pacific	233	224	280	273	457	737	1,010
Consolidated	\$ 3,440	\$ 3,474	\$ 3,720	\$ 3,563	\$ 6,914	\$ 10,634	\$ 14,197
Operating Profit (Recast*)							
U.S. Morning Foods	\$ 153	\$ 178	\$ 134	\$ 123	\$ 331	\$ 465	\$ 588
U.S. Snacks	123	121	117	115	244	361	476
U.S. Specialty	71	56	62	52	127	189	241
North America Other	70	70	67	58	140	207	265
North America Total	417	425	380	348	842	1,222	1,570
Europe	70	64	76	51	134	210	261
Latin America	51	48	36	32	99	135	167
Asia Pacific	33	17	29	6	50	79	85
Total Reportable Segments	571	554	521	437	1,125	1,646	2,083
Corporate	(44)	(35)	(8)	(434)	(79)	(87)	(521)
Consolidated	\$ 527	\$ 519	\$ 513	\$ 3	\$ 1,046	\$ 1,559	\$ 1,562

2012 (millions)	Quarter ended				Year-to-date period ended		
	March 31, 2012	June 30, 2012	September 29, 2012	December 29, 2012	June 30, 2012	September 29, 2012	December 29, 2012
Net Sales (As originally reported)							
U.S. Morning Foods & Kashi	\$ 941	\$ 939	\$ 946	\$ 881	\$ 1,880	\$ 2,826	\$ 3,707
U.S. Snacks	742	803	865	816	1,545	2,410	3,226
U.S. Specialty	348	252	264	257	600	864	1,121
North America Other	368	369	388	360	737	1,125	1,485
North America Total	2,399	2,363	2,463	2,314	4,762	7,225	9,539
Europe	538	613	685	691	1,151	1,836	2,527
Latin America	270	274	292	285	544	836	1,121
Asia Pacific	233	224	280	273	457	737	1,010
Consolidated	\$ 3,440	\$ 3,474	\$ 3,720	\$ 3,563	\$ 6,914	\$ 10,634	\$ 14,197
Operating Profit (As originally reported)							
U.S. Morning Foods & Kashi	\$ 157	\$ 181	\$ 135	\$ 122	\$ 338	\$ 473	\$ 595
U.S. Snacks	119	118	116	116	237	353	469
U.S. Specialty	71	56	62	52	127	189	241
North America Other	70	70	67	58	140	207	265
North America Total	417	425	380	348	842	1,222	1,570
Europe	70	64	76	51	134	210	261
Latin America	51	48	36	32	99	135	167
Asia Pacific	33	17	29	6	50	79	85
Total Reportable Segments	571	554	521	437	1,125	1,646	2,083
Corporate	(44)	(35)	(8)	(434)	(79)	(87)	(521)
Consolidated	\$ 527	\$ 519	\$ 513	\$ 3	\$ 1,046	\$ 1,559	\$ 1,562