

Kellogg Company 2015 FULL-YEAR & FOURTH QUARTER FINANCIAL RESULTS



February 11, 2016



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 acquired businesses, the Company's strategy, zero-based budgeting, 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 acquisitions 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 Fourth Quarter and Full-Year 2015



- ***Strong results continued*** in the fourth quarter
- Continued to build ***momentum*** and trends ***improving***
- ***Met or exceeded*** initial expectations for sales*, operating profit*, earnings per share*, and cash flow



*On a currency-neutral comparable basis

Highlights for Full-Year 2016



- Continue to ***build momentum***
- ***Significant visibility*** from cost-saving initiatives
- Back on our ***long-term algorithm*** and executing our strategy
- ***Increasing consumption and share*** in the U.S. Cereal business



Summary of Financial Results *Kellogg's*

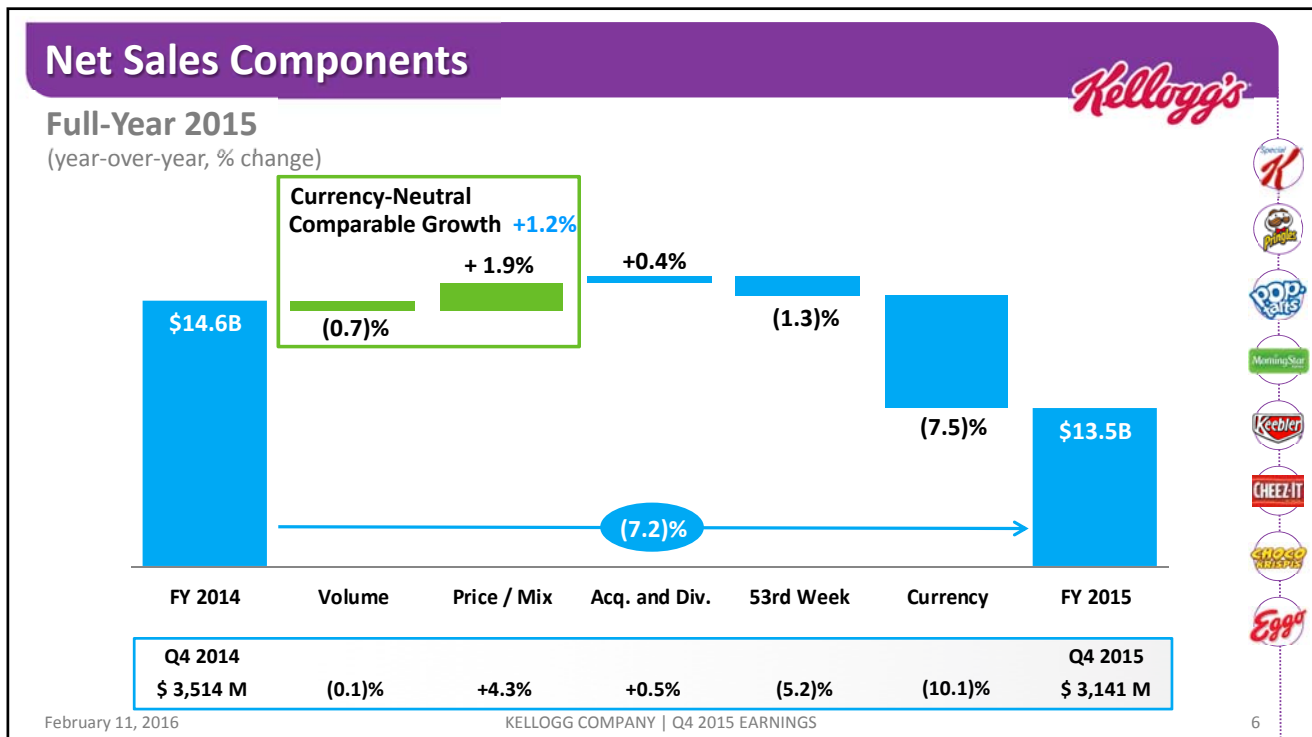
(\$ in millions, except EPS)

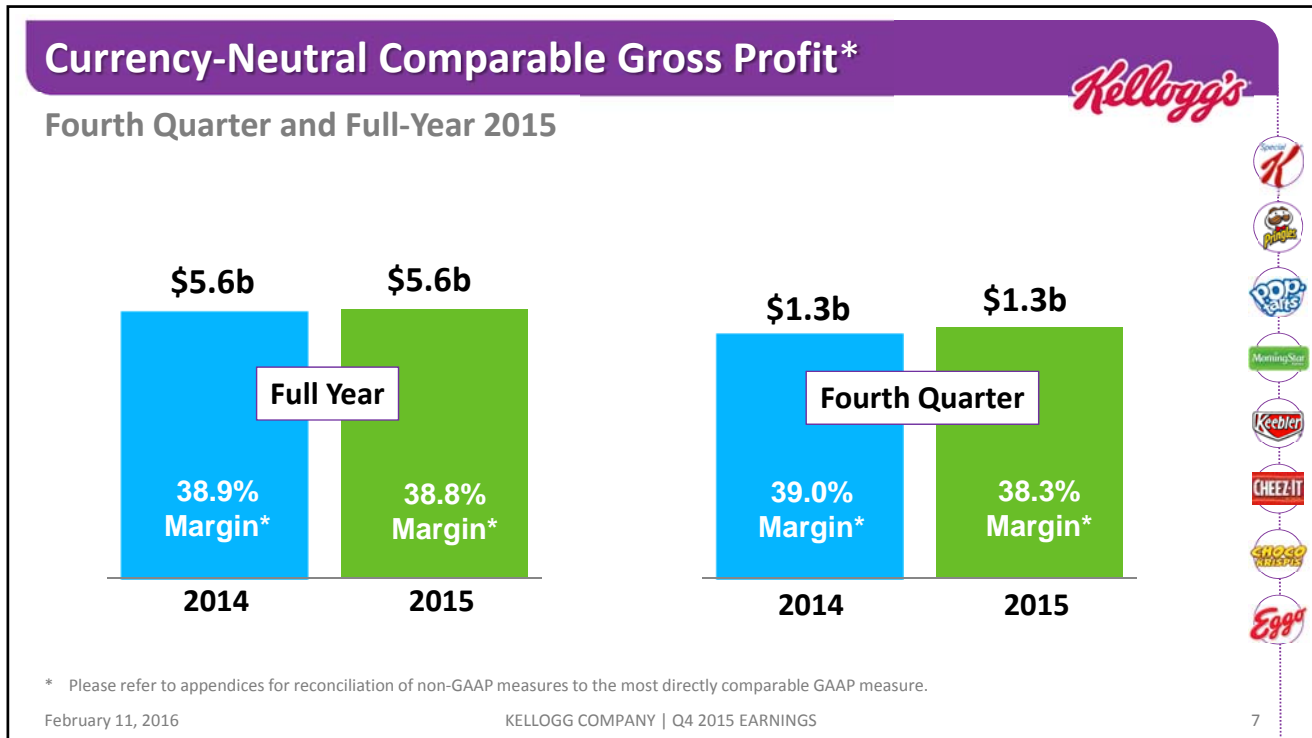
	Fourth Quarter 2015			Full-Year 2015		
	Reported \$	Reported Growth	Currency-Neutral Comparable Growth*	Reported \$	Reported Growth	Currency-Neutral Comparable Growth*
Net Sales	\$ 3,141	(10.6)%	4.2%	13,525	(7.2)%	1.2%
Operating Profit	\$ (39)	90.9%	2.8%	1,091	6.6%	(2.3)%

Earnings Per Share (Currency-Neutral Comparable) **\$0.85** **1.2%** **\$3.81** **—**

* 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

Fourth Quarter 2015

(\$ in millions, currency-neutral comparable performance,* year-over-year % change)

Region	Reported Dollars	Currency-Neutral Comparable Growth*	Notes
North America	\$287	3%	Driven by gross margin expansion as the result of lower input costs and savings from Project K. Includes more than 500 bps headwind from rebasing incentive comp.
Europe	\$56	(5)%	Driven by a strong increase in investment in brand building and discrete costs
Latin America	\$7	46%	Driven by sales growth. Good results in Mexico and inflation-driven pricing in Venezuela
Asia Pacific	\$18	(13)%	Investing for growth in emerging markets, inflation, and timing of spending on costs of goods sold

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

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Operating Cash Flow (after capital expenditure)*



Full-Year 2015

(millions)

- Full-year cash flow of **\$1.1 billion** met increased expectations
- Included **≈\$330 million** of cash for Project K offset by supplier-financing
- Returned more than **\$1.4 billion** to shareowners through share repurchases and dividends



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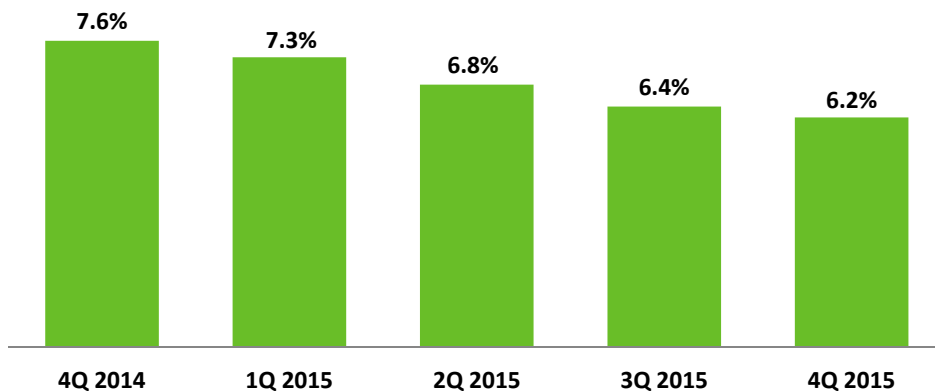
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Core Working Capital (a)



(12-month rolling, as a percentage of sales)



(a) Internal Kellogg Metric: Period ending. Last 12 months' average trade receivables and inventory, less 12 months' average trade payables, divided by last 12 months' sales.

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2016 Outlook

Kellogg's

Net Sales^(a)	+1% to 3%
<i>Currency-Neutral Comparable</i>	
Operating Profit^(a)	+4% to 6%
<i>Currency-Neutral Comparable</i>	
EPS^(b)	+6% to 8%
<i>Currency-Neutral Comparable</i>	
Operating Cash Flow	Approx. \$1.1 Billion
<i>(after capital expenditure and the significant after-tax impact of Project K)</i>	

(a) 2016 guidance excludes the impact of acquisitions, dispositions, currency translation, differences in the number of shipping days, mark-to-market adjustments, integration costs, costs related to Project K, Venezuela remeasurement, VIE deconsolidation, and other items that could affect comparability.

(b) 2016 guidance excludes the impact of currency translation, differences in the number of shipping days, mark-to-market adjustments, integration costs, costs related to Project K, Venezuela remeasurement, VIE deconsolidation, and other items that could affect comparability. Does include the impact of prior acquisitions and investment in JVs.




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2016 Outlook – Guidance

Kellogg's

<i>2015 Reported earnings per share</i>	\$1.72
Items affecting comparability	1.81
<i>2015 Comparable earnings per share (EPS)</i>	\$3.53
<i>EPS growth (+6-8%)</i>	
<i>Currency-neutral comparable 2016 EPS^(a)</i>	\$3.74 - \$3.81
Current estimate for impact of currency	(≈0.10)
<i>Comparable 2016 EPS</i>	\$3.64 - \$3.71
<i>Integration costs</i>	\$(0.02) - (0.03)
<i>Project K and ZBB costs</i>	\$(0.40) - (0.50)

(a) 2016 guidance excludes the impact of currency translation, differences in the number of shipping days, mark-to-market adjustments, integration costs, costs related to Project K, Venezuela remeasurement, VIE deconsolidation, and other items that could affect comparability. Does include the impact of prior acquisitions and investment in JVs.

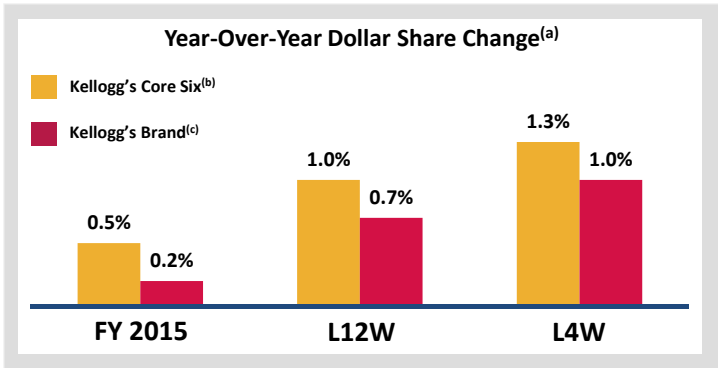


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U.S. Morning Foods

Fourth Quarter 2015

Kellogg Core Six Brands and Overall Portfolio Driving Growth



(a) AC Nielsen Scantrack, xAOC, week-ending 01/02/2016;
 (b) Core 6 = Special K, FMW, Raisin Bran, Frosted Flakes, Foot Loops, Rice Krispies; (c) Kellogg excl. Kashi

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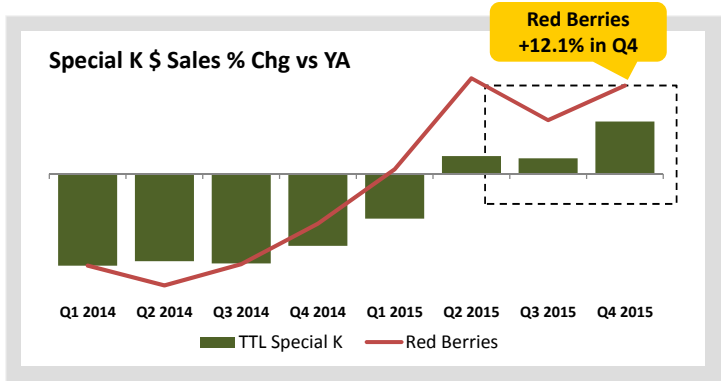
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U.S. Morning Foods

Fourth Quarter 2015

Special K consumption improved significantly over the past 12 months!



Source: Nielsen consumption through week ending 01/02/16

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U.S. Snacks

Fourth Quarter 2015

- *Sequential improvement in consumption* in all businesses
- Expect to *return to growth* in 2016
- New strong leadership team



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U.S. Specialty

Fourth Quarter 2015

- *Share gains in both the Foodservice and Convenience channels*
- *Strong sales growth* in the Convenience channel
- *Great performance* from the Pringles business



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North America Other

Fourth Quarter 2015

- Eggo hand-held sandwiches continue to post **strong growth**
- Performance of Kashi cereal **improved**
- **Growth** in the Cereal and Wholesome Snacks businesses in Canada



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Europe

Fourth Quarter 2015

- **Continued strong growth** in the Pringles business
- **Growth** in the region's Wholesome Snack business
- **Granolas, mueslis, and hot cereals** continue to perform well



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Latin America

Fourth Quarter 2015

- **Double-digit** regional sales growth*
- **Good performance** in Mexico
- **Strong** year-to-date share performance
- **Challenging economic environment**



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

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Asia Pacific

Fourth Quarter 2015

- **Continued double-digit** sales growth in Asia
- Pringles posted **strong growth**
- Our JV in China and investment in west Africa **continue to perform well**



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Summary



- *Met our expectations* for 2015
- In-line with our *long-term model* in 2016*
- *Significant flexibility* to invest and increase margins
- *Excellent visibility* into productivity
- Will continue to build *momentum*



* On a currency-neutral comparable basis

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Q&A

