APPENDICES: Kellogg Company Q4 2014 Financial Results Presentation

February 12, 2015

Kellogg Company and Subsidiaries
Reconciliation of Non-GAAP Amounts –
Kellogg-Defined Cash Flow to GAAP Cash Flow (a)

(unaudited)

(millions)	Year-to-date period ended January 3, 2015	Year-to-date period ended December 28, 2013
Operating activities		
Net income	**$633**	$1,808
Adjustments to reconcile net income to operating cash flows:		
Depreciation and amortization	**503**	532
Postretirement benefit plan expense (benefit)	**803**	(1,078)
Deferred income taxes	**(300)**	317
Other	**(42)**	25
Postretirement benefit plan contributions	**(53)**	(48)
Changes in operating assets and liabilities, net of acquisitions	**249**	251
Net cash provided by (used in) operating activities	**1,793**	1,807
Less:		
Additions to properties	**(582)**	(637)
Cash Flow (operating cash flow less property additions) (a)	**$1,211**	$1,170

(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 –
Reported Net Sales to Comparable Net Sales
Q4 2014

Quarter ended January 3, 2015

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	N. America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Net Sales	**$816**	**$850**	**$280**	**$357**	**$681**	**$287**	**$243**	**$0**	**$3,514**
Integration impact (a)	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**	**-**	**(1)**
Project K (b)	**-**	**-**	**-**	**(1)**	**-**	**(1)**	**-**	**-**	**(2)**
Differences in shipping days (c)	**70**	**46**	**16**	**24**	**32**	**1**	**8**	**-**	**197**
Comparable Net Sales (d)	**$746**	**$804**	**$264**	**$334**	**$649**	**$287**	**$236**	**$0**	**$3,320**

Quarter ended December 28, 2013

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	N. America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Net Sales	$808	$830	$270	$342	$716	$281	$254	$0	$3,501
Integration impact (a)	-	-	-	-	-	-	-	-	-
Project K (b)	-	-	-	-	-	-	-	-	-
Differences in shipping days (c)	-	-	-	-	-	-	-	-	-
Comparable Net Sales (d)	$808	$830	$270	$342	$716	$281	$254	$0	$3,501

(a) Includes impact of integration costs associated with the Pringles acquisition.

(b) Costs incurred related primarily to execution of Project K, a four-year efficiency and effectiveness program. The focus of the program will be to strengthen existing businesses in core markets, increase growth in developing and emerging markets, and drive an increased level of value-added innovation. The program is expected to provide a number of benefits, including an optimized supply chain infrastructure, the implementation of global business services, and a new global focus on categories. Prior periods presented have been recast to exclude all restructuring and cost reduction activities from comparable results. Previously, only costs associated with Project K were excluded from comparable results.

(c) Difference in shipping days resulting from 53rd week of business results that occurred in the fourth quarter of 2014.

(d) Comparable net sales and comparable operating profit are non-GAAP measures which are reconciled to the directly comparable measure in accordance with U.S. GAAP within this table. We believe the use of such non-GAAP measures provides increased transparency and assists in understanding our comparable operating performance.

Kellogg Company and Subsidiaries
Reconciliation of Non-GAAP Amounts –
Reported Net Sales to Comparable Net Sales
Full-Year 2014

Year-to-date period ended January 3, 2015

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	N. America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Net Sales	**$3,338**	**$3,495**	**$1,198**	**$1,468**	**$2,887**	**$1,205**	**$989**	**$0**	**$14,580**
Integration impact (a)	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**	**-**	**(1)**
Project K (b)	**-**	**-**	**-**	**(1)**	**-**	**(1)**	**-**	**-**	**(2)**
Differences in shipping days (c)	**70**	**46**	**16**	**24**	**32**	**1**	**8**	**-**	**197**
Comparable Net Sales (d)	**$3,268**	**$3,449**	**$1,182**	**$1,445**	**$2,855**	**$1,205**	**$982**	**$0**	**$14,386**

Year-to-date period ended December 28, 2013

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	N. America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Net Sales	$3,465	$3,534	$1,202	$1,515	$2,860	$1,195	$1,021	$0	$14,792
Integration impact (a)	-	-	-	(1)	-	-	(4)	-	(5)
Project K (b)	-	-	-	-	-	-	-	-	-
Differences in shipping days (c)	-	-	-	-	-	-	-	-	-
Comparable Net Sales (d)	$3,465	$3,534	$1,202	$1,516	$2,860	$1,195	$1,025	$0	$14,797

(a) Includes impact of integration costs associated with the Pringles acquisition.

(b) Costs incurred related primarily to execution of Project K, a four-year efficiency and effectiveness program. The focus of the program will be to strengthen existing businesses in core markets, increase growth in developing and emerging markets, and drive an increased level of value-added innovation. The program is expected to provide a number of benefits, including an optimized supply chain infrastructure, the implementation of global business services, and a new global focus on categories. Prior periods presented have been recast to exclude all restructuring and cost reduction activities from comparable results. Previously, only costs associated with Project K were excluded from comparable results.

(c) Difference in shipping days resulting from 53rd week of business results that occurred in the fourth quarter of 2014.

(d) Comparable net sales and comparable operating profit are non-GAAP measures which are reconciled to the directly comparable measure in accordance with U.S. GAAP within this table. We believe the use of such non-GAAP measures provides increased transparency and assists in understanding our comparable operating performance.

Kellogg Company and Subsidiaries
Reconciliation of Non-GAAP Amounts –
Reported Operating Profit to Comparable Operating Profit
Q4 2014

Quarter ended January 3, 2015

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	N. America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Operating Profit	**$102**	**$103**	**$57**	**$60**	**$59**	**$24**	**$13**	**$(840)**	**($422)**
Integration impact (a)	**-**	**-**	**-**	**-**	**(15)**	**-**	**(4)**	**1**	**(18)**
Mark-to-market (b)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(822)**	**(822)**
Project K (c)	**(19)**	**(15)**	**(1)**	**(7)**	**(17)**	**(2)**	**(15)**	**2**	**(74)**
Differences in shipping days (d)	**20**	**6**	**3**	**7**	**6**	**(3)**	**-**	**(3)**	**36**
Other costs impacting comparability (e)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6)**	**(6)**
Comparable Operating Profit (f)	**$101**	**$112**	**$55**	**$60**	**$85**	**$29**	**$32**	**$(12)**	**$462**

Quarter ended December 28, 2013

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	N. America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Operating Profit	$10	$106	$55	$52	$36	$28	($3)	$976	$1,260
Integration impact (a)	-	(1)	-	-	(16)	-	-	-	(17)
Mark-to-market (b)	-	-	-	-	-	-	-	1,006	1,006
Project K (c)	(97)	(20)	(2)	(10)	(21)	(2)	(25)	(24)	(201)
Differences in shipping days (d)	-	-	-	-	-	-	-	-	-
Other costs impacting comparability (e)	-	-	-	-	-	-	-	-	-
Comparable Operating Profit (f)	$107	$127	$57	$62	$73	$30	$22	$(6)	$472

(a) Includes impact of integration costs associated with the Pringles acquisition.

(b) Includes mark-to-market adjustments for pension plans and commodity contracts as reflected in cost of goods sold and selling, general and administrative expense. Actuarial gains/losses for pension plans are recognized in the year they occur. A portion of these mark-to-market adjustments were capitalized as inventoriable cost at the end of 2014, 2013, and 2012. The amounts capitalized at the end of 2013 and 2012 have been recognized in the first quarter of 2014 and 2013, respectively. 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) Costs incurred related primarily to execution of Project K, a four-year efficiency and effectiveness program. The focus of the program will be to strengthen existing businesses in core markets, increase growth in developing and emerging markets, and drive an increased level of value-added innovation. The program is expected to provide a number of benefits, including an optimized supply chain infrastructure, the implementation of global business services, and a new global focus on categories. Prior periods presented have been recast to exclude all restructuring and cost reduction activities from comparable results. Previously, only costs associated with Project K were excluded from comparable results.

(d) Difference in shipping days resulting from 53rd week of business results that occurred in the fourth quarter of 2014.

(e) Consists of costs related to evaluation of potential acquisitions.

(f) Comparable net sales and comparable operating profit are non-GAAP measures which are reconciled to the directly comparable measure in accordance with U.S. GAAP within this table. We believe the use of such non-GAAP measures provides increased transparency and assists in understanding our comparable operating performance.

Kellogg Company and Subsidiaries
Reconciliation of Non-GAAP Amounts –
Reported Operating Profit to Comparable Operating Profit
Full-Year 2014

Year-to-date period ended January 3, 2015

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	N. America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Operating Profit	**$491**	**$395**	**$266**	**$252**	**$240**	**$169**	**$45**	**$(834)**	**$1,024**
Integration impact (a)	**-**	**-**	**-**	**-**	**(36)**	**-**	**(7)**	**-**	**(43)**
Mark-to-market (b)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(784)**	**(784)**
Project K (c)	**(60)**	**(57)**	**(3)**	**(18)**	**(80)**	**(8)**	**(37)**	**(35)**	**(298)**
Differences in shipping days (d)	**20**	**6**	**3**	**7**	**6**	**(3)**	**-**	**(3)**	**36**
Other costs impacting comparability (e)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6)**	**(6)**
Comparable Operating Profit (f)	**$531**	**$446**	**$266**	**$263**	**$350**	**$180**	**$89**	**$(6)**	**$2,119**

Year-to-date period ended December 28, 2013

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	N. America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Operating Profit	$485	$447	$265	$275	$256	$157	$60	$892	$2,837
Integration impact (a)	-	(12)	-	(1)	(34)	(1)	(11)	(6)	(65)
Mark-to-market (b)	-	-	-	-	-	-	-	947	947
Project K (c)	(109)	(30)	(5)	(11)	(27)	(5)	(32)	(31)	(250)
Differences in shipping days (d)	-	-	-	-	-	-	-	-	-
Other costs impacting comparability (e)	-	-	-	-	-	-	-	-	-
Comparable Operating Profit (f)	$594	$489	$270	$287	$317	$163	$103	$(18)	$2,205

(a) Includes impact of integration costs associated with the Pringles acquisition.

(b) Includes mark-to-market adjustments for pension plans and commodity contracts as reflected in cost of goods sold and selling, general and administrative expense. Actuarial gains/losses for pension plans are recognized in the year they occur. A portion of these mark-to-market adjustments were capitalized as inventoriable cost at the end of 2014, 2013, and 2012. The amounts capitalized at the end of 2013 and 2012 have been recognized in the first quarter of 2014 and 2013, respectively. 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) Costs incurred related primarily to execution of Project K, a four-year efficiency and effectiveness program. The focus of the program will be to strengthen existing businesses in core markets, increase growth in developing and emerging markets, and drive an increased level of value-added innovation. The program is expected to provide a number of benefits, including an optimized supply chain infrastructure, the implementation of global business services, and a new global focus on categories. Prior periods presented have been recast to exclude all restructuring and cost reduction activities from comparable results. Previously, only costs associated with Project K were excluded from comparable results.

(d) Difference in shipping days resulting from 53rd week of business results that occurred in the fourth quarter of 2014.

(e) Consists of costs related to evaluation of potential acquisitions.

(f) Comparable net sales and comparable operating profit are non-GAAP measures which are reconciled to the directly comparable measure in accordance with U.S. GAAP within this table. We believe the use of such non-GAAP measures provides increased transparency and assists in understanding our comparable operating performance.

Kellogg Company and Subsidiaries
Reconciliation of Non-GAAP Amounts –
Reported Gross Profit to Comparable Gross Profit

(millions)	Quarter ended January 3, 2015	Quarter ended December 28, 2013	Year-to-day period ended January 3, 2015	Year-to-day period ended December 28, 2013
Reported Gross Profit (a)	$856	$1,783	$5,063	$6,103
Integration impact (b)	(7)	(6)	(23)	(20)
Mark-to-market (c)	(476)	569	(438)	510
Project K (d)	(34)	(173)	(154)	(195)
Differences in shipping days (e)	80	—	80	—
Other costs impacting comparability (f)	—	—	—	—
Comparable Gross Profit (g)	$1,293	$1,393	$5,598	$5,808

(a) Gross profit is equal to net sales less cost of goods sold.

(b) Includes impact of integration costs associated with the Pringles acquisition.

(c) Includes mark-to-market adjustments for pension plans and commodity contracts as reflected in cost of goods sold and selling, general and administrative expense. Actuarial gains/losses for pension plans are recognized in the year they occur. A portion of these mark-to-market adjustments were capitalized as inventoriable cost at the end of 2014, 2013, and 2012. The amounts capitalized at the end of 2013 and 2012 have been recognized in the first quarter of 2014 and 2013, respectively. 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.

(d) Costs incurred related primarily to execution of Project K, a four-year efficiency and effectiveness program. The focus of the program will be to strengthen existing businesses in core markets, increase growth in developing and emerging markets, and drive an increased level of value-added innovation. The program is expected to provide a number of benefits, including an optimized supply chain infrastructure, the implementation of global business services, and a new global focus on categories. Prior periods presented have been recast to exclude all restructuring and cost reduction activities from comparable results. Previously, only costs associated with Project K were excluded from comparable results.

(e) Difference in shipping days resulting from 53rd week of business results that occurred in the fourth quarter of 2014.

(f) Consists of costs related to evaluation of potential acquisitions.

(g) Comparable gross profit is reconciled to the directly comparable measure in accordance with U.S. GAAP within this table..

Kellogg Company and Subsidiaries
Reconciliation of Non-GAAP Amounts –
Reported Gross Margin to Comparable Gross Margin

	Quarter ended		Year-to-date period ended	
	January 3, 2015	December 28, 2013	January 3, 2015	December 28, 2013
Reported Gross Margin (a)	24.4%	50.9%	34.7%	41.3%
Integration impact (b)	-0.2%	-0.2%	-0.2%	-0.1%
Mark-to-market (c)	-13.6%	16.3%	-3.0%	3.4%
Project K (d)	-0.9%	-4.9%	-1.0%	-1.3%
Differences in shipping days (e)	0.1%	0.0%	0.0%	0.0%
Other costs impacting comparability (f)	0.0%	0.0%	0.0%	0.0%
Comparable Gross Margin (g)	39.0%	39.7%	38.9%	39.3%

(a) Reported gross margin as a percentage of net sales. Gross margin is equal to net sales less cost of goods sold.

(b) Includes impact of integration costs associated with the Pringles acquisition.

(c) Includes mark-to-market adjustments for pension plans and commodity contracts as reflected in cost of goods sold and selling, general and administrative expense. Actuarial gains/losses for pension plans are recognized in the year they occur. A portion of these mark-to-market adjustments were capitalized as inventoriable cost at the end of 2014, 2013, and 2012. The amounts capitalized at the end of 2013 and 2012 have been recognized in the first quarter of 2014 and 2013, respectively. 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.

(d) Costs incurred related primarily to execution of Project K, a four-year efficiency and effectiveness program. The focus of the program will be to strengthen existing businesses in core markets, increase growth in developing and emerging markets, and drive an increased level of value-added innovation. The program is expected to provide a number of benefits, including an optimized supply chain infrastructure, the implementation of global business services, and a new global focus on categories. Prior periods presented have been recast to exclude all restructuring and cost reduction activities from comparable results. Previously, only costs associated with Project K were excluded from comparable results.

(e) Difference in shipping days resulting from 53rd week of business results that occurred in the fourth quarter of 2014.

(f) Consists of costs related to evaluation of potential acquisitions.

(g) Comparable gross margin is reconciled to the directly comparable measure in accordance with U.S. GAAP within this table.

Kellogg Company and Subsidiaries
Reconciliation of Non-GAAP Amounts –
Reported EPS to Comparable EPS

	Quarter ended			Year-to-date period ended		
	January 3, 2015	December 28, 2013	*Change vs. prior year*	**January 3, 2015**	December 28, 2013	*Change vs. prior year*
Reported EPS	**($0.82)**	$2.24		**$1.75**	$4.94	
Pringles integration costs (a)	**(0.04)**	(0.03)		**(0.09)**	(0.13)	
Mark-to-market (b)	**(1.52)**	1.83		**(1.42)**	1.72	
Project K (c)	**(0.16)**	(0.41)		**(0.61)**	(0.50)	
Differences in shipping days (d)	**0.07**	-		**0.07**	-	
Other costs impacting comparability (e)	**(0.01)**	-		**(0.01)**	-	
Comparable EPS (f)	**$0.84**	$0.85	-1.2%	**$3.81**	$3.85	-1.0%
Impact of foreign currency translation	**(0.02)**			**(0.01)**		
Currency-neutral comparable EPS	**$0.86**			**$3.82**		

(a) Includes impact of integration costs associated with the Pringles acquisition.

(b) Includes mark-to-market adjustments for pension plans and commodity contracts as reflected in cost of goods sold and selling, general and administrative expense. Actuarial gains/losses for pension plans are recognized in the year they occur. A portion of these mark-to-market adjustments were capitalized as inventoriable cost at the end of 2014, 2013, and 2012. The amounts capitalized at the end of 2013 and 2012 have been recognized in the first quarter of 2014 and 2013, respectively. 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) Costs incurred related primarily to execution of Project K, a four-year efficiency and effectiveness program. The focus of the program will be to strengthen existing businesses in core markets, increase growth in developing and emerging markets, and drive an increased level of value-added innovation. The program is expected to provide a number of benefits, including an optimized supply chain infrastructure, the implementation of global business services, and a new global focus on categories. Prior periods presented have been recast to exclude all restructuring and cost reduction activities from comparable results. Previously, only costs associated with Project K were excluded from comparable results.

(d) Difference in shipping days resulting from 53rd week of business results that occurred in the fourth quarter of 2014.

(e) Consists of costs related to evaluation of potential acquisitions.

(f) Comparable EPS is a non-GAAP measure which is reconciled to the directly comparable measure in accordance with U.S. GAAP within this table. We believe the use of such non-GAAP measures provides increased transparency and assists in understanding our comparable operating performance.

Kellogg Company and Subsidiaries
Reconciliation of Non-GAAP Amounts –
Reported Effective Tax Rate to Comparable Effective Tax Rate

	Quarter ended January 3, 2015	Year-to-date period ended January 3, 2015
Reported Effective Tax Rate	**39.1%**	**22.6%**
Integration impact	-0.1%	0.0%
Mark-to-market (a)	12.1%	-5.8%
Project K (b)	0.5%	0.2%
Differences in shipping days (c)	0.2%	0.0%
Other costs impacting comparability (d)	-0.1%	0.0%
Comparable Effective Tax Rate (e)	**26.5%**	**28.2%**

(a) Mark-to-market adjustments, in general, were incurred in jurisdictions with tax rates higher than our reported effective tax rate during the quarter and year-to-date period ended January 3, 2015.

(b) Costs incurred related to the execution of restructuring and cost reduction activities, in general, were incurred in jurisdictions with tax rates lower than our effective tax rate during the quarter and year-to-date period ended January 3, 2015

(c) Difference in shipping days resulting from 53rd week of business results that occurred in the fourth quarter of 2014.

(d) Consists of costs related to evaluation of potential acquisitions.

(e) Comparable effective tax rate is reconciled to the directly comparable measure in accordance with U.S. GAAP within this table.

Kellogg Company and Subsidiaries
Analysis of Net Sales and Operating Profit Performance
Fourth Quarter of 2014 versus 2013

(dollars in millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	N. America Other	North America	Europe	Latin America	Asia Pacific	Corp-orate	Consoli-dated
2014 net sales	**$816**	**$850**	**$280**	**$357**	**$2,303**	**$681**	**$287**	**$243**	**$0**	**$3,514**
2013 net sales	**$808**	**$830**	**$270**	**$342**	**$2,250**	**$716**	**$281**	**$254**	**$0**	**$3,501**
% change - 2014 vs. 2013:										
As Reported	**0.9%**	**2.4%**	**3.7%**	**4.5%**	**2.3%**	**-4.8%**	**2.1%**	**-4.6%**	**0.0%**	**0.3%**
Acquisitions/Divestitures	0.0%	0.0%	-1.0%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%	-0.1%
Integration impact (a)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%	0.0%
Project K (c)	0.0%	0.0%	0.0%	-0.2%	-0.1%	0.0%	0.0%	0.0%	0.0%	-0.1%
Differences in shipping days (d)	8.6%	5.5%	5.7%	7.1%	6.9%	4.5%	0.3%	3.5%	0.0%	5.6%
Foreign currency impact	0.0%	0.0%	0.0%	-3.7%	-0.5%	-8.1%	-5.4%	-6.8%	0.0%	-2.9%
Comparable growth (f)	**-7.7%**	**-3.1%**	**-1.0%**	**1.3%**	**-3.9%**	**-1.2%**	**7.2%**	**-1.2%**	**0.0%**	**-2.2%**
Volume (tonnage) (g)					-3.5%	0.3%	0.1%	-1.5%	0.0%	-2.3%
Pricing/mix					-0.4%	-1.5%	7.1%	0.3%	0.0%	0.1%

(dollars in millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	N. America Other	North America	Europe	Latin America	Asia Pacific	Corp-orate	Consoli-dated
2014 operating profit	**$102**	**$103**	**$57**	**$60**	**$321**	**$59**	**$24**	**$13**	**($840)**	**($422)**
2013 operating profit	**$10**	**$106**	**$55**	**$52**	**$223**	**$36**	**$28**	**($3)**	**$976**	**$1,260**
% change - 2014 vs. 2013:										
As Reported	**867.6%**	**-1.7%**	**2.6%**	**16.9%**	**44.6%**	**65.8%**	**-15.6%**	**510.4%**	**-186.0%**	**-133.5%**
Acquisitions/Divestitures	0.0%	0.0%	-0.2%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%
Integration impact (a)	0.0%	0.7%	0.0%	0.5%	0.3%	8.6%	0.5%	-8.5%	17.2%	0.3%
Mark-to-market (b)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-226.7%	-191.4%
Project K (c)	855.8%	3.5%	2.9%	6.4%	41.1%	31.4%	-2.2%	483.4%	268.4%	53.4%
Differences in shipping days (d)	18.7%	4.7%	4.9%	11.3%	10.1%	7.9%	-9.7%	-1.2%	-42.7%	7.6%
Other costs impacting comparability (e)	0.0%	0.0%	0.0%	0.0%	0.0%	-0.4%	0.0%	-0.9%	-91.9%	-1.3%
Foreign currency impact	0.6%	0.0%	0.0%	-3.7%	-0.4%	-5.6%	-0.2%	-12.7%	-18.3%	-2.0%
Comparable growth (f)	**-7.5%**	**-10.6%**	**-5.0%**	**2.4%**	**-6.5%**	**23.9%**	**-4.0%**	**49.5%**	**-92.0%**	**-0.1%**

(a) Includes impact of integration costs associated with the Pringles acquisition.

(b) Includes mark-to-market adjustments for pension plans and commodity contracts as reflected in cost of goods sold and selling, general and administrative expense. Actuarial gains/losses for pension plans are recognized in the year they occur. A portion of these mark-to-market adjustments were capitalized as inventoriable cost at the end of 2014, 2013, and 2012. The amounts capitalized at the end of 2013 and 2012 have been recognized in the first quarter of 2014 and 2013, respectively. 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) Costs incurred related primarily to execution of Project K, a four-year efficiency and effectiveness program. The focus of the program will be to strengthen existing businesses in core markets, increase growth in developing and emerging markets, and drive an increased level of value-added innovation. The program is expected to provide a number of benefits, including an optimized supply chain infrastructure, the implementation of global business services, and a new global focus on categories. Prior periods presented have been recast to exclude all restructuring and cost reduction activities from comparable results. Previously, only costs associated with Project K were excluded from comparable results.

(d) Difference in shipping days resulting from 53rd week of business results that occurred in the fourth quarter of 2014.

(e) Consists of costs related to evaluation of potential acquisitions.

(f) Comparable net sales growth and comparable operating profit growth are non-GAAP measures which are reconciled to the directly comparable measure in accordance with U.S. GAAP within this table. We believe the use of such non-GAAP measures provides increased transparency and assists in understanding our comparable operating performance.

(g) We measure the volume impact (tonnage) on revenues based on the stated weight of our product shipments.

Kellogg Company and Subsidiaries
Analysis of Net Sales and Operating Profit Performance
Year ended 2014 versus 2013

(dollars in millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	N. America Other	North America	Europe	Latin America	Asia Pacific	Corp-orate	Consoli-dated
2014 net sales	**$3,338**	**$3,495**	**$1,198**	**$1,468**	**$9,499**	**$2,887**	**$1,205**	**$989**	**$0**	**$14,580**
2013 net sales	**$3,465**	**$3,534**	**$1,202**	**$1,515**	**$9,716**	**$2,860**	**$1,195**	**$1,021**	**$0**	**$14,792**
% change - 2014 vs. 2013:										
As Reported	**-3.7%**	**-1.1%**	**-0.3%**	**-3.1%**	**-2.2%**	**0.9%**	**0.9%**	**-3.1%**	**0.0%**	**-1.4%**
Acquisitions/Divestitures	0.0%	0.0%	-0.2%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%	-0.1%
Integration impact (a)	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.3%	0.0%	0.1%
Project K (c)	0.0%	0.0%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Differences in shipping days (d)	2.0%	1.3%	1.3%	1.6%	1.6%	1.2%	0.1%	0.9%	0.0%	1.4%
Foreign currency impact	0.0%	0.0%	0.0%	-2.9%	-0.4%	0.4%	-3.1%	-4.9%	0.0%	-0.8%
Comparable growth (f)	**-5.7%**	**-2.4%**	**-1.4%**	**-1.8%**	**-3.4%**	**-0.7%**	**3.9%**	**0.7%**	**0.0%**	**-2.0%**
Volume (tonnage) (g)					-3.2%	0.0%	-5.4%	-0.1%	0.0%	-2.6%
Pricing/mix					-0.2%	-0.7%	9.3%	0.8%	0.0%	0.6%

(dollars in millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	N. America Other	North America	Europe	Latin America	Asia Pacific	Corp-orate	Consoli-dated
2014 operating profit	**$491**	**$395**	**$266**	**$252**	**$1,403**	**$240**	**$169**	**$45**	**($834)**	**$1,024**
2013 operating profit	**$485**	**$447**	**$265**	**$275**	**$1,472**	**$256**	**$157**	**$60**	**$892**	**$2,837**
% change - 2014 vs. 2013:										
As Reported	**1.1%**	**-11.5%**	**0.4%**	**-8.4%**	**-4.6%**	**-6.2%**	**7.3%**	**-24.3%**	**-193.4%**	**-63.9%**
Acquisitions/Divestitures	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%	0.0%	1.2%	0.0%	0.1%
Integration impact (a)	0.0%	2.4%	0.0%	0.5%	0.8%	0.9%	0.6%	3.1%	8.0%	1.0%
Mark-to-market (b)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-203.3%	-59.6%
Project K (c)	8.4%	-6.4%	0.7%	-2.9%	0.6%	-19.3%	-1.6%	-13.7%	-28.5%	-2.7%
Differences in shipping days (d)	3.4%	1.2%	1.0%	2.4%	2.2%	1.8%	-1.7%	-0.2%	-12.9%	1.6%
Corporate development costs (e)	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%	-0.2%	-22.5%	-0.3%
Foreign currency impact	0.1%	0.0%	0.0%	-3.2%	-0.5%	2.7%	1.5%	-5.3%	13.3%	-0.1%
Comparable growth (f)	**-10.8%**	**-8.7%**	**-1.3%**	**-5.2%**	**-7.6%**	**7.8%**	**8.5%**	**-9.2%**	**52.5%**	**-3.9%**

(a) Includes impact of integration costs associated with the Pringles acquisition.

(b) Includes mark-to-market adjustments for pension plans and commodity contracts as reflected in cost of goods sold and selling, general and administrative expense. Actuarial gains/losses for pension plans are recognized in the year they occur. A portion of these mark-to-market adjustments were capitalized as inventoriable cost at the end of 2014, 2013, and 2012. The amounts capitalized at the end of 2013 and 2012 have been recognized in the first quarter of 2014 and 2013, respectively. 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) Costs incurred related primarily to execution of Project K, a four-year efficiency and effectiveness program. The focus of the program will be to strengthen existing businesses in core markets, increase growth in developing and emerging markets, and drive an increased level of value-added innovation. The program is expected to provide a number of benefits, including an optimized supply chain infrastructure, the implementation of global business services, and a new global focus on categories. Prior periods presented have been recast to exclude all restructuring and cost reduction activities from comparable results. Previously, only costs associated with Project K were excluded from comparable results.

(d) Difference in shipping days resulting from 53rd week of business results that occurred in the fourth quarter of 2014.

(e) Consists of costs related to evaluation of potential acquisitions.

(f) Comparable net sales growth and comparable operating profit growth are non-GAAP measures which are reconciled to the directly comparable measure in accordance with U.S. GAAP within this table. We believe the use of such non-GAAP measures provides increased transparency and assists in understanding our comparable operating performance.

(g) We measure the volume impact (tonnage) on revenues based on the stated weight of our product shipments.

Kellogg Company and Subsidiaries
Restructuring and cost reduction activities
(millions)

	Quarter ended January 3, 2015				Year-to-date period ended January 3, 2015			
	Net Sales	Cost of goods sold	Selling, general and administrative expense	Total	Net Sales	Cost of goods sold	Selling, general and administrative expense	Total
2014								
U.S. Morning Foods	$ -	$16	$3	$19	$ -	$52	$8	$60
U.S. Snacks	-	12	3	15	-	51	6	57
U.S. Specialty	-	-	1	1	-	1	2	3
North America Other	1	5	1	7	1	13	4	18
Europe	-	7	10	17	-	37	43	80
Latin America	1	-	1	2	1	1	6	8
Asia Pacific	-	12	3	15	-	29	8	37
Corporate	-	(20)	18	(2)	-	(32)	67	35
Total	$2	$32	$40	$74	$2	$152	$144	$298

	Quarter ended December 28, 2013				Year-to-date period ended December 28, 2013			
	Net Sales	Cost of goods sold	Selling, general and administrative expense	Total	Net Sales	Cost of goods sold	Selling, general and administrative expense	Total
2013								
U.S. Morning Foods	$ -	$94	$3	$97	$ -	$101	$8	$109
U.S. Snacks	-	17	3	20	-	21	9	30
U.S. Specialty	-	1	1	2	-	2	3	5
North America Other	-	8	2	10	-	8	3	11
Europe	-	18	3	21	-	21	6	27
Latin America	-	0	2	2	-	1	4	5
Asia Pacific	-	22	3	25	-	29	3	32
Corporate	-	12	12	24	-	12	19	31
Total	$ -	$172	$29	$201	$ -	$195	$55	$250

2014 Variance - better(worse) than 2013								
U.S. Morning Foods	$ -	$78	$ -	$78	$ -	$49	$ -	$49
U.S. Snacks	-	6	-	6	-	(30)	3	(27)
U.S. Specialty	-	1	-	1	-	1	1	2
North America Other	(1)	3	1	3	(1)	(5)	(1)	(7)
Europe	-	11	(7)	4	-	(16)	(37)	(53)
Latin America	(1)	(1)	2	-	(1)	-	(2)	(3)
Asia Pacific	-	11	(1)	10	-	-	(5)	(5)
Corporate	-	32	(5)	27	-	44	(48)	(4)
Total	$(2)	$141	$(10)	$129	$(2)	$43	$(89)	$(48)

Kellogg Company and Subsidiaries
Integration Costs *

(millions)

	Quarter ended January 3, 2015				Year-to-date period ended January 3, 2015			
	Net Sales	Cost of goods sold	Selling, general and administrative expense	Total	Net Sales	Cost of goods sold	Selling, general and administrative expense	Total
2014								
U.S. Snacks	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
North America Other	-	-	-	-	-	-	-	-
Europe	-	4	11	15	-	18	18	36
Latin America	-	-	-	-	-	-	-	-
Asia Pacific	1	2	1	4	1	4	2	7
Corporate	-	-	(1)	(1)	-	-	-	-
Total	$1	$6	$11	$18	$1	$22	$20	$43

	Quarter ended December 28, 2013				Year-to-date period ended December 28, 2013			
	Net Sales	Cost of goods sold	Selling, general and administrative expense	Total	Net Sales	Cost of goods sold	Selling, general and administrative expense	Total
2013								
U.S. Snacks	$ -	$ -	$1	$1	$ -	$1	$11	$12
North America Other	-	-	-	-	1	-	-	1
Europe	-	6	10	16	-	13	21	34
Latin America	-	-	-	-	-	-	1	1
Asia Pacific	-	-	-	-	4	1	6	11
Corporate	-	-	-	-	-	-	6	6
Total	$ -	$6	$11	$17	$5	$15	$45	$65

2014 Variance - better(worse) than 2013								
U.S. Snacks	$ -	$ -	$1	$1	$ -	$1	$11	$12
North America Other	-	-	-	-	1	-	-	1
Europe	-	2	(1)	1	-	(5)	3	(2)
Latin America	-	-	-	-	-	-	1	1
Asia Pacific	(1)	(2)	(1)	(4)	3	(3)	4	4
Corporate	-	-	1	1	-	-	6	6
Total	$(1)	$ -	$ -	$(1)	$4	$(7)	$25	$22

*Integration costs are charges incurred by the Company as a direct result of the work performed for the acquisition of the Pringles business.