APPENDICES: Kellogg Company Q2 2015 Financial Results Presentation

August 4, 2015

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

(unaudited)

	Year-to-date period ended	
(millions)	**July 4, 2015**	June 28, 2014
Operating activities		
Net income	**$449**	$701
Adjustments to reconcile net income to operating cash flows:		
Depreciation and amortization	**269**	235
Postretirement benefit plan expense (benefit)	**(41)**	(45)
Deferred income taxes	**(11)**	18
Venezuela remeasurement	**152**	-
VIE deconsolidation	**(49)**	-
Other	**56**	18
Postretirement benefit plan contributions	**(17)**	(37)
Changes in operating assets and liabilities, net of acquisitions	**(267)**	(236)
Net cash provided by (used in) operating activities	**541**	654
Less:		
Additions to properties	**(218)**	(226)
Cash Flow (operating cash flow less property additions) (a)	**$323**	$428

(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 Currency-Neutral Comparable Net Sales
Q2 2015

Quarter ended July 4, 2015

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	North America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Net Sales	**$ 742**	**$ 835**	**$ 270**	**$ 439**	**$ 650**	**$ 328**	**$ 234**	**$ -**	**$ 3,498**
Project K[a]	-	-	-	-	-	-	-	-	-
Acquisitions/divestitures[b]	-	-	-	-	15	-	-	-	15
Differences in shipping days	-	-	-	-	-	-	-	-	-
Comparable Net Sales[c]	**$ 742**	**$ 835**	**$ 270**	**$ 439**	**$ 635**	**$ 328**	**$ 234**	**$ -**	**$ 3,483**
Foreign currency impact	-	-	-	(19)	(113)	(39)	(31)	-	(202)
Currency-Neutral Comparable Net Sales[d]	**$ 742**	**$ 835**	**$ 270**	**$ 458**	**$ 748**	**$ 367**	**$ 265**	**$ -**	**$ 3,685**

Quarter ended June 28, 2014

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	North America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Net Sales	$ 759	$ 851	$ 276	$ 464	$ 767	$ 320	$ 248	$ -	$ 3,685
Project K[a]	-	-	-	-	-	-	-	-	-
Acquisitions/divestitures[b]	-	-	3	-	-	-	-	-	3
Differences in shipping days	-	-	-	-	-	-	-	-	-
Comparable Net Sales[c]	$ 759	$ 851	$ 273	$ 464	$ 767	$ 320	$ 248	$ -	$ 3,682
Foreign currency impact	-	-	-	-	-	-	-	-	-
Currency-Neutral Comparable Net Sales[d]	$ 759	$ 851	$ 273	$ 464	$ 767	$ 320	$ 248	$ -	$ 3,682

(a) 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.

(b) Includes impact of Bisco Misr acquisition during second quarter of 2015 and the 2014 divestiture of Loma Linda.

(c) Comparable Net Sales 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.

(d) Currency-Neutral Comparable Net Sales 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. 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 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.

Kellogg Company and Subsidiaries
Reconciliation of Non-GAAP Amounts –
Reported Net Sales to Currency-Neutral Comparable Net Sales
Q2 2015 Year-to-Date

Year-to-date period ended July 4, 2015

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	North America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Net Sales	**$ 1,518**	**$ 1,689**	**$ 631**	**$ 872**	**$ 1,257**	**$ 623**	**$ 464**	**$ -**	**$ 7,054**
Project K[a]	**-**	**-**	**-**	**(2)**	**-**	**-**	**-**	**-**	**(2)**
Acquisitions/divestitures[b]	**-**	**-**	**-**	**-**	**23**	**-**	**-**	**-**	**23**
Differences in shipping days	**-**	**-**	**-**	**-**	**(3)**	**-**	**-**	**-**	**(3)**
Comparable Net Sales[c]	**$ 1,518**	**$ 1,689**	**$ 631**	**$ 874**	**$ 1,237**	**$ 623**	**$ 464**	**$ -**	**$ 7,036**
Foreign currency impact	**-**	**-**	**-**	**(37)**	**(223)**	**(65)**	**(53)**	**-**	**(378)**
Currency-Neutral Comparable Net Sales[d]	**$ 1,518**	**$ 1,689**	**$ 631**	**$ 911**	**$ 1,460**	**$ 688**	**$ 517**	**$ -**	**$ 7,414**

Year-to-date period ended June 28, 2014

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	North America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Net Sales	$ 1,558	$ 1,715	$ 648	$ 946	$ 1,472	$ 598	$ 490	$ -	$ 7,427
Project K[a]	-	-	-	-	-	-	-	-	-
Acquisitions/divestitures[b]	-	-	5	-	-	-	-	-	5
Differences in shipping days	-	-	-	-	-	-	-	-	-
Comparable Net Sales[c]	$ 1,558	$ 1,715	$ 643	$ 946	$ 1,472	$ 598	$ 490	$ -	$ 7,422
Foreign currency impact	-	-	-	-	-	-	-	-	-
Currency-Neutral Comparable Net Sales[d]	$ 1,558	$ 1,715	$ 643	$ 946	$ 1,472	$ 598	$ 490	$ -	$ 7,422

(a) 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.

(b) Includes impact of Bisco Misr acquisition during year-to-date period ended July 4, 2015 and the 2014 divestiture of Loma Linda.

(c) Comparable Net Sales 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.

(d) Currency-Neutral Comparable Net Sales 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. 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 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.

Kellogg Company and Subsidiaries
Reconciliation of Non-GAAP Amounts –
Reported Operating Profit to Currency-Neutral Comparable Operating Profit
Q2 2015

Quarter ended July 4, 2015

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	North America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Operating Profit	**$ 131**	**$ 160**	**$ 59**	**$ 37**	**$ 57**	**$ (56)**	**$ 10**	**$ 14**	**$ 412**
Mark-to-market[(a)]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**35**	**35**
Project K[(b)]	**(13)**	**(10)**	**(1)**	**(23)**	**(25)**	**(1)**	**(3)**	**(14)**	**(90)**
VIE deconsolidation[(c)]	**-**	**67**	**-**	**-**	**-**	**-**	**-**	**-**	**67**
Integration impact[(d)]	**-**	**-**	**-**	**-**	**(3)**	**-**	**(2)**	**(1)**	**(6)**
Acquisitions/divestitures[(e)]	**-**	**-**	**-**	**-**	**2**	**-**	**-**	**-**	**2**
Venezuela remeasurement[(f)]	**-**	**-**	**-**	**-**	**-**	**(102)**	**-**	**(1)**	**(103)**
Comparable Operating Profit[(g)]	**$ 144**	**$ 103**	**$ 60**	**$ 60**	**$ 83**	**$ 47**	**$ 15**	**$ (5)**	**$ 507**
Foreign currency impact	**-**	**-**	**-**	**(2)**	**(9)**	**(6)**	**(3)**	**(2)**	**(22)**
Currency-Neutral Comparable Operating Profit[(h)]	**$ 144**	**$ 103**	**$ 60**	**$ 62**	**$ 92**	**$ 53**	**$ 18**	**$ (3)**	**$ 529**

Quarter ended June 28, 2014

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	North America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Operating Profit	$ 137	$ 124	$ 63	$ 74	$ 50	$ 47	$ 5	$ (33)	$ 467
Mark-to-market[(a)]	-	-	-	-	-	-	-	(12)	(12)
Project K[(b)]	(15)	(3)	-	(6)	(28)	(1)	(5)	(20)	(78)
VIE deconsolidation[(c)]	-	-	-	-	-	-	-	-	-
Integration impact[(d)]	-	-	-	-	(8)	-	(2)	-	(10)
Acquisitions/divestitures[(e)]	-	-	-	-	-	-	-	-	-
Venezuela remeasurement[(f)]	-	-	-	-	-	-	-	-	-
Comparable Operating Profit[(g)]	$ 152	$ 127	$ 63	$ 80	$ 86	$ 48	$ 12	$ (1)	$ 567
Foreign currency impact	-	-	-	-	-	-	-	-	-
Currency-Neutral Comparable Operating Profit[(h)]	$ 152	$ 127	$ 63	$ 80	$ 86	$ 48	$ 12	$ (1)	$ 567

(a) Includes mark-to-market adjustments for pension plans, commodity contracts and certain foreign currency 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 and 2013. The amounts capitalized at the end of 2014 and 2013 have been recognized in the first quarter of 2015 and 2014, 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.

(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.

(c) In connection with the deconsolidation of a VIE in the second quarter of 2015, we re-allocated the goodwill associated with the U.S. Snacks segment and the VIE on a relative fair value basis, resulting in a $67 million non-cash gain.

(d) Includes impact of integration costs associated with the Bisco Misr and Pringles acquisitions.

(e) Includes impact of Bisco Misr acquisition during second quarter of 2015 and the 2014 divestiture of Loma Linda.

(f) Venezuela remeasurement includes the impact of remeasuring bolivar-denominated balances as of quarter end at the SIMADI rate of 198.4 bolivars to the US dollar. The income statement for this business was translated at the CENCOEX rate of 6.3 bolivars to the U.S. dollar through the end of the second quarter. Beginning in the third quarter of 2015, all operating results and balance sheet values will be translated using the SIMADI rate.

(g) Comparable Operating Profit 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.

(h) Currency-Neutral Comparable Operating Profit 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. 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 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.

Kellogg Company and Subsidiaries
Reconciliation of Non-GAAP Amounts –
Reported Operating Profit to Currency-Neutral Comparable Operating Profit
Q2 2015 Year-to-date

Year-to-date period ended July 4, 2015

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	North America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Operating Profit	**$ 258**	**$ 240**	**$ 137**	**$ 96**	**$ 118**	**$ (5)**	**$ 22**	**$ (70)**	**$ 796**
Mark-to-market[a]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(32)**	**(32)**
Project K[b]	**(21)**	**(19)**	**(2)**	**(29)**	**(44)**	**(1)**	**(8)**	**(34)**	**(158)**
VIE deconsolidation[c]	**-**	**67**	**-**	**-**	**-**	**-**	**-**	**-**	**67**
Integration impact[d]	**-**	**-**	**-**	**-**	**(8)**	**-**	**(5)**	**(1)**	**(14)**
Acquisitions/divestitures[e]	**-**	**-**	**-**	**-**	**2**	**-**	**-**	**-**	**2**
Venezuela remeasurement[f]	**-**	**-**	**-**	**-**	**-**	**(102)**	**-**	**(1)**	**(103)**
Comparable Operating Profit[g]	**$ 279**	**$ 192**	**$ 139**	**$ 125**	**$ 168**	**$ 98**	**$ 35**	**$ (2)**	**$ 1,034**
Foreign currency impact	**1**	**-**	**-**	**(6)**	**(17)**	**(10)**	**(5)**	**(6)**	**(43)**
Currency-Neutral Comparable Operating Profit[h]	**$ 278**	**$ 192**	**$ 139**	**$ 131**	**$ 185**	**$ 108**	**$ 40**	**$ 4**	**$ 1,077**

Year-to-date period ended June 28, 2014

(millions)	U.S. Morning Foods	U.S. Snacks	U.S. Specialty	North America Other	Europe	Latin America	Asia Pacific	Corporate	Kellogg Consolidated
Reported Operating Profit	$ 263	$ 210	$ 150	$ 157	$ 115	$ 95	$ 21	$ 70	$ 1,081
Mark-to-market[a]	-	-	-	-	-	-	-	104	104
Project K[b]	(26)	(10)	(1)	(9)	(40)	(5)	(11)	(30)	(132)
VIE deconsolidation[c]	-	-	-	-	-	-	-	-	-
Integration impact[d]	-	-	-	-	(14)	-	(2)	(1)	(17)
Acquisitions/divestitures[e]	-	-	-	-	-	-	-	-	-
Venezuela remeasurement[f]	-	-	-	-	-	-	-	-	-
Comparable Operating Profit[g]	$ 289	$ 220	$ 151	$ 166	$ 169	$ 100	$ 34	$ (3)	$ 1,126
Foreign currency impact	-	-	-	-	-	-	-	-	-
Currency-Neutral Comparable Operating Profit[h]	$ 289	$ 220	$ 151	$ 166	$ 169	$ 100	$ 34	$ (3)	$ 1,126

(a) Includes mark-to-market adjustments for pension plans, commodity contract and certain foreign currency 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 and 2013. The amounts capitalized at the end of 2014 and 2013 have been recognized in the first quarter of 2015 and 2014, 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.

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(d) Includes impact of integration costs associated with the Bisco Misr and Pringles acquisitions.

(e) Includes impact of Bisco Misr acquisition during the year-to-date period ended July 4, 2015 and the 2014 divestiture of Loma Linda.

(f) Venezuela remeasurement includes the impact of remeasuring bolivar-denominated balances as of quarter end at the SIMADI rate of 198.4 bolivars to the US dollar. The income statement for this business was translated at the CENCOEX rate of 6.3 bolivars to the U.S. dollar through the end of the second quarter. Beginning in the third quarter of 2015, all operating results and balance sheet values will be translated using the SIMADI rate.

(g) Comparable Operating Profit 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.

(h) Currency-Neutral Comparable Operating Profit 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. 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 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.

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

	Quarter ended		Year-to-date period ended	
(millions)	**July 4, 2015**	June 28, 2014	**July 4, 2015**	June 28, 2014
Reported Gross Profit (a)	**$1,241**	$1,411	**$2,486**	$2,915
Mark-to-market(b)	**34**	(12)	**(34)**	104
Project K(c)	**(65)**	(31)	**(99)**	(56)
Integration impact(d)	**(3)**	(6)	**(9)**	(10)
Acquisitions/divestitures(e)	**2**	—	**4**	—
Venezuela remeasurement (f)	**(100)**	—	**(100)**	—
Comparable Gross Profit (g)	**$1,373**	$1,460	**$2,724**	$2,877
Foreign currency impact	**(77)**	—	**(141)**	—
Currency-Neutral Comparable Gross Profit (h)	**$1,450**	$1,460	**$2,865**	$2,877

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

(b) Includes mark-to-market adjustments for pension plans, commodity contracts and certain foreign currency 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 and 2013. The amounts capitalized at the end of 2014 and 2013 have been recognized in the first quarter of 2015 and 2014, 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.

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(d) Includes impact of integration costs associated with the Bisco Misr and Pringles acquisitions.

(e) Includes impact of Bisco Misr acquisition during the quarter and year-to-date periods ended July 4, 2015 and the divestiture of Loma Linda in 2014.

(f) Venezuela remeasurement includes the impact of remeasuring bolivar-denominated balances as of quarter end at the SIMADI rate of 198.4 bolivars to the US dollar. The income statement for this business was translated at the CENCOEX rate of 6.3 bolivars to the U.S. dollar through the end of the second quarter. Beginning in the third quarter of 2015, all operating results and balance sheet values will be translated using the SIMADI rate.

(g) Comparable Gross Profit 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 a non-GAAP measures provides increased transparency and assists in understanding our comparable operating performance.

(h) Currency-Neutral Gross Profit 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. 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 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.

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

	Quarter ended		Year-to-date period ended	
	July 4, 2015	June 28, 2014	**July 4, 2015**	June 28, 2014
Reported Gross Margin (a)	**35.5%**	38.3%	**35.3%**	39.2%
Mark-to-market(b)	**1.0%**	-0.3%	**-0.4%**	1.4%
Project K(c)	**-1.9%**	-0.9%	**-1.4%**	-0.8%
Integration impact(d)	**-0.1%**	-0.2%	**-0.1%**	-0.2%
Acquisitions/divestitures(e)	**—**	—	**-0.1%**	—
Venezuela remeasurement(f)	**-2.9%**	—	**-1.4%**	—
Comparable Gross Margin(g)	**39.4%**	39.7%	**38.7%**	38.8%
Foreign currency impact	**0.1%**	—	**0.1%**	—
Currency-Neutral Comparable Gross Margin(h)	**39.3%**	39.7%	**38.6%**	38.8%

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

(b) Includes mark-to-market adjustments for pension plans, commodity contracts and certain foreign currency 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 and 2013. The amounts capitalized at the end of 2014 and 2013 have been recognized in the first quarter of 2015 and 2014, 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.

(d) Includes impact of integration costs associated with the Bisco Misr and Pringles acquisitions.

(e) Includes impact of Bisco Misr acquisition during the quarter and year-to-date periods ended July 4, 2015 and the divestiture of Loma Linda in 2014.

(f) Venezuela remeasurement includes the impact of remeasuring bolivar-denominated balances as of quarter end at the SIMADI rate of 198.4 bolivars to the US dollar. The income statement for this business was translated at the CENCOEX rate of 6.3 bolivars to the U.S. dollar through the end of the second quarter. Beginning in the third quarter of 2015, all operating results and balance sheet values will be translated using the SIMADI rate.

(g) Comparable Gross Margin 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 a non-GAAP measures provides increased transparency and assists in understanding our comparable operating performance.

(h) Currency-Neutral Gross Margin 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. 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 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.

Kellogg Company and Subsidiaries
Reconciliation of Non-GAAP Amounts - Reported Net Income Attributable to Kellogg to Currency-Neutral Comparable Net Income Attributable to Kellogg

(millions)	Quarter ended July 4, 2015	Quarter ended June 28, 2014	Year-to-date period ended July 4, 2015	Year-to-date period ended June 28, 2014
Reported Net Income Attributable to Kellogg	**$ 223**	$ 295	**$ 450**	$ 701
Mark-to-market[(a)]	**22**	(8)	**(24)**	72
Project K[(b)]	**(64)**	(58)	**(111)**	(94)
VIE deconsolidation[(c)]	**75**	-	**50**	-
Integration costs[(d)]	**(5)**	(7)	**(11)**	(12)
Acquisitions/divestitures[(e)]	**1**	-	**1**	-
Venezuela remeasurement[(f)]	**(132)**	-	**(132)**	-
Comparable Net Income Attributable to Kellogg[(g)]	**$ 326**	$ 368	**677**	735
Foreign currency impact	**(18)**	-	**(37)**	-
Currency-Neutral Comparable Net Income Attributable to Kellogg[(h)]	**$ 344**	368	**$ 714**	$ 735

(a) Includes mark-to-market adjustments for pension plans, commodity contracts and certain foreign currency 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 and 2013. The amounts capitalized at the end of 2014 and 2013 have been recognized in the first quarter of 2015 and 2014, 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.

(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.

(c) In connection with the deconsolidation of a VIE during the second quarter of 2015, we re-allocated goodwill associated with the U.S. Snacks segment and the VIE on a relative fair value basis, resulting in a $67 million non-cash gain, which was recorded within operating profit. In addition, as a result of the VIE agreement terminations and related settlements, we recognized a gain of $6 million in other income (expense), net during the quarter. This second quarter gain, in combination with a related $25 million charge during the first quarter of 2015, resulted in a net loss of $19 million in other income (expense), net on a year-to-date basis.

(d) Includes impact of integration costs associated with the Bisco Misr and Pringles acquisitions.

(e) Includes impact of Bisco Misr acquisition during the quarter and year-to-date periods ended July 4, 2015.

(f) Venezuela remeasurement includes the impact of remeasuring bolivar-denominated balances as of quarter end at the SIMADI rate of 198.4 bolivars to the US dollar. The income statement for this business was translated at the CENCOEX rate of 6.3 bolivars to the U.S. dollar through the end of the second quarter. Beginning in the third quarter of 2015, all operating results and balance sheet values will be translated using the SIMADI rate.

(g) Comparable Net Income Attributable to Kellogg 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.

(h) Currency-Neutral Comparable Net Income Attributable to Kellogg 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. 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 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.

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

	Quarter ended		Year-to-date period ended		Year-to-date period ended
	July 4, 2015	June 28, 2014	**July 4, 2015**	June 28, 2014	January 3, 2015
Reported EPS	**$ 0.63**	$ 0.82	**$ 1.26**	$ 1.94	$ 1.75
Mark-to-market[(a)]	**0.06**	(0.02)	**(0.07)**	0.20	(1.42)
Project K[(b)]	**(0.18)**	(0.16)	**(0.31)**	(0.26)	(0.61)
VIE deconsolidation[(c)]	**0.21**	-	**0.14**	-	-
Integration impact[(d)]	**(0.01)**	(0.02)	**(0.03)**	(0.03)	(0.09)
Venezuela remeasurement[(e)]	**(0.37)**	-	**(0.37)**	-	-
Other costs[(f)]	**-**	-	**-**	-	(0.01)
Difference in shipping days[(g)]	**-**	-	**-**	-	0.07
Comparable EPS[(h)]	**$ 0.92**	$ 1.02	**$ 1.90**	$ 2.03	$ 3.81
Foreign currency impact	**(0.05)**	-	**(0.11)**	-	(0.01)
Currency-Neutral Comparable EPS[(i)]	**$ 0.97**	$ 1.02	**$ 2.01**	$ 2.03	$ 3.82

(a) Includes mark-to-market adjustments for pension plans, commodity contracts and certain foreign currency 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 and 2013. The amounts capitalized at the end of 2014 and 2013 have been recognized in the first quarter of 2015 and 2014, 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.

(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.

(c) In connection with the deconsolidation of a VIE during the second quarter of 2015, we re-allocated goodwill associated with the U.S. Snacks segment and the VIE on a relative fair value basis, resulting in a $67 million non-cash gain, which was recorded within operating profit. In addition, as a result of the VIE agreement terminations and related settlements, we recognized a gain of $6 million in other income (expense), net during the quarter. This second quarter gain, in combination with a related $25 million charge during the first quarter of 2015, resulted in a net loss of $19 million in other income (expense), net on a year-to-date basis. Year-to-date period ended January 3, 2015 includes impact of costs related to evaluation of potential acquisitions.

(d) Includes impact of integration costs associated with the Bisco Misr and Pringles acquisitions.

(e) Venezuela remeasurement includes the impact of remeasuring bolivar-denominated balances as of quarter end at the SIMADI rate of 198.4 bolivars to the US dollar. The income statement for this business was translated at the CENCOEX rate of 6.3 bolivars to the U.S. dollar through the end of the second quarter. Beginning in the third quarter of 2015, all operating results and balance sheet values will be translated using the SIMADI rate.

(f) Year-to-date period ended January 3, 2015 includes impact of costs related to evaluation of potential acquisitions.

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

(h) 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.

(i) Currency-Neutral 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. 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 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.

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

	Quarter ended		Year-to-date period ended	
	July 4, 2015	June 28, 2014	**July 4, 2015**	June 28, 2014
Reported Effective Tax Rate	**27.6%**	29.0%	**26.4%**	28.9%
Mark-to-market[(a)]	**1.1%**	-0.2%	**0.1%**	0.1%
Project K	**-0.5%**	0.5%	**-0.7%**	0.1%
VIE deconsolidation[(b)]	**-7.4%**	0.0%	**-1.9%**	0.0%
Integration impact	**0.3%**	0.0%	**0.2%**	0.0%
Venezuela remeasurement[(c)]	**7.2%**	0.0%	**2.6%**	0.0%
Comparable Effective Tax Rate[(d)]	**26.9%**	28.7%	**26.1%**	28.7%
Foreign currency impact	**0.8%**	0.0%	**0.7%**	0.0%
Currency-Neutral Comparable Effective Tax Rate[(e)]	**26.1%**	28.7%	**25.4%**	28.7%

(a) Mark-to-market adjustments, in general, were incurred in jurisdictions with tax rates higher than our reported effective tax rate during the quarters and year-to-date periods ended July 4, 2015 and June 28, 2014.

(b) In connection with the deconsolidation of a VIE during the second quarter of 2015, we re-allocated goodwill associated with the U.S. Snacks segment and the VIE on a relative fair value basis, resulting in a non-cash gain, which was recorded within operating profit. In addition, as a result of the VIE agreement terminations and related settlements, we recognized a gain within other income (expense), net during the quarter. This second quarter gain, in combination with a related charge during the first quarter of 2015, resulted in a net loss in other income (expense), net on a year-to-date basis.

(c) Venezuela remeasurement includes the impact of remeasuring bolivar-denominated balances as of quarter end at the SIMADI rate of 198.4 bolivars to the US dollar. The income statement for this business was translated at the CENCOEX rate of 6.3 bolivars to the U.S. dollar through the end of the second quarter. Beginning in the third quarter of 2015, all operating results and balance sheet values will be translated using the SIMADI rate.

(d) Comparable Effective Tax Rate is reconciled to the directly comparable measure in accordance with U.S. GAAP within this table.

(e) Currency-Neutral Comparable Effective Tax Rate is reconciled to the directly comparable measure in accordance with U.S. GAAP within this table. 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 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.

Kellogg Company and Subsidiaries
Analysis of Net Sales and Operating Profit Performance
Second Quarter 2015 versus 2014

(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
2015 net sales	**$742**	**$835**	**$270**	**$439**	**$2,286**	**$650**	**$328**	**$234**	**$0**	**$3,498**
2014 net sales	**$759**	**$851**	**$276**	**$464**	**$2,350**	**$767**	**$320**	**$248**	**$0**	**$3,685**
% change - 2015 vs. 2014:										
As Reported	**-2.3%**	**-1.8%**	**-2.4%**	**-5.5%**	**-2.8%**	**-15.3%**	**2.5%**	**-5.2%**	**0.0%**	**-5.1%**
Project K (b)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%
Acquisitions/divestitures (e)	0.0%	0.0%	-1.2%	0.0%	-0.2%	2.0%	0.0%	0.0%	0.0%	0.3%
Comparable growth (g)	**-2.3%**	**-1.8%**	**-1.2%**	**-5.5%**	**-2.6%**	**-17.3%**	**2.3%**	**-5.2%**	**0.0%**	**-5.4%**
Foreign currency impact	0.0%	0.0%	0.0%	-4.2%	-0.8%	-14.8%	-12.2%	-12.0%	0.0%	-5.5%
Currency-Neutral Comparable growth (h)	**-2.3%**	**-1.8%**	**-1.2%**	**-1.3%**	**-1.8%**	**-2.5%**	**14.5%**	**6.8%**	**0.0%**	**0.1%**
Volume (tonnage) (i)					-0.9%	-2.4%	1.1%	9.4%	0.0%	-0.4%
Pricing/mix					-0.9%	-0.1%	13.4%	-2.6%	0.0%	0.5%

(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
2015 operating profit	**$131**	**$160**	**$59**	**$37**	**$387**	**$57**	**($56)**	**$10**	**$14**	**$412**
2014 operating profit	**$137**	**$124**	**$63**	**$74**	**$398**	**$50**	**$47**	**$5**	**($33)**	**$467**
% change - 2015 vs. 2014:										
As Reported	**-3.6%**	**29.6%**	**-5.9%**	**-51.6%**	**-2.5%**	**13.7%**	**-219.3%**	**147.2%**	**145.8%**	**-11.6%**
Mark-to-market (a)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	163.2%	9.9%
Project K (b)	1.7%	-3.8%	-0.6%	-25.4%	-4.9%	8.5%	-4.6%	101.1%	4115.3%	-5.1%
VIE deconsolidation (c)	0.0%	52.1%	0.0%	0.0%	15.7%	0.0%	0.0%	0.0%	0.0%	11.9%
Integration impact (d)	0.0%	0.0%	0.0%	0.0%	0.0%	7.7%	-0.9%	-9.5%	-68.3%	0.0%
Acquisitions/divestitures (e)	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.0%	0.0%	0.0%	0.3%
Venezuela remeasurement (f)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-212.0%	0.0%	-677.8%	-18.1%
Comparable growth (g)	**-5.3%**	**-18.7%**	**-5.3%**	**-26.2%**	**-13.3%**	**-4.0%**	**-1.8%**	**55.6%**	**-3386.6%**	**-10.5%**
Foreign currency impact	0.2%	0.0%	0.0%	-3.8%	-0.6%	-9.6%	-10.7%	-20.4%	-1860.7%	-3.7%
Currency-Neutral Comparable growth (h)	**-5.5%**	**-18.7%**	**-5.3%**	**-22.4%**	**-12.7%**	**5.6%**	**8.9%**	**76.0%**	**-1525.9%**	**-6.8%**

(a) Includes mark-to-market adjustments for pension plans, commodity contracts and certain foreign currency 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 and 2013. The amounts capitalized at the end of 2014 and 2013 have been recognized in the first quarter of 2015 and 2014, 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.

(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.

(c) In connection with the deconsolidation of a VIE in the second quarter of 2015, we re-allocated the goodwill associated with the U.S. Snacks segment and the VIE on a relative fair value basis, resulting in a $67 million non-cash gain.

(d) Includes impact of integration costs associated with the Bisco Misr and Pringles acquisitions.

(e) Includes impact of Bisco Misr acquisition during second quarter of 2015 and the 2014 divestiture of Loma Linda.

(f) Venezuela remeasurement includes the impact of remeasuring bolivar-denominated balances as of quarter end at the SIMADI rate of 198.4 bolivars to the US dollar. The income statement for this business was translated at the CENCOEX rate of 6.3 bolivars to the U.S. dollar through the end of the second quarter. Beginning in the third quarter of 2015, all operating results and balance sheet values will be translated using the SIMADI rate.

(g) 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.

(h) Currency-Neutral Comparable Net Sales growth and Currency Neutral 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. 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 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.

(i) 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-to-date 2015 versus 2014

(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
2015 net sales	**$1,518**	**$1,689**	**$631**	**$872**	**$4,710**	**$1,257**	**$623**	**$464**	**$0**	**$7,054**
2014 net sales	**$1,558**	**$1,715**	**$648**	**$946**	**$4,867**	**$1,472**	**$598**	**$490**	**$0**	**$7,427**
% change - 2015 vs. 2014:										
As Reported	**-2.6%**	**-1.5%**	**-2.7%**	**-7.9%**	**-3.2%**	**-14.6%**	**4.3%**	**-5.2%**	**0.0%**	**-5.0%**
Project K (b)	0.0%	0.0%	0.0%	-0.2%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
Acquisitions/divestitures (e)	0.0%	0.0%	-0.7%	0.0%	-0.1%	1.5%	0.0%	0.0%	0.0%	0.2%
Differences in shipping days	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%	0.0%	0.0%	0.0%	0.0%
Comparable growth (g)	**-2.6%**	**-1.5%**	**-2.0%**	**-7.7%**	**-3.1%**	**-15.9%**	**4.2%**	**-5.2%**	**0.0%**	**-5.2%**
Foreign currency impact	0.0%	0.0%	0.0%	-4.0%	-0.8%	-15.1%	-10.9%	-10.6%	0.0%	-5.1%
Currency-Neutral Comparable growth (h)	**-2.6%**	**-1.5%**	**-2.0%**	**-3.7%**	**-2.3%**	**-0.8%**	**15.1%**	**5.4%**	**0.0%**	**-0.1%**
Volume (tonnage) (i)					-1.7%	-0.6%	2.7%	7.2%	0.0%	-0.5%
Pricing/mix					-0.6%	-0.2%	12.4%	-1.8%	0.0%	0.4%

(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
2015 operating profit	**$258**	**$240**	**$137**	**$96**	**$731**	**$118**	**($5)**	**$22**	**($70)**	**$796**
2014 operating profit	**$263**	**$210**	**$150**	**$157**	**$780**	**$115**	**$95**	**$21**	**$70**	**$1,081**
% change - 2015 vs. 2014:										
As Reported	**-1.8%**	**14.5%**	**-8.4%**	**-39.1%**	**-6.2%**	**2.7%**	**-105.4%**	**12.1%**	**-197.8%**	**-26.3%**
Mark-to-market (a)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-175.9%	-11.0%
Project K (b)	1.8%	-3.1%	-0.3%	-14.2%	-3.2%	-1.7%	-1.5%	16.3%	-17.6%	-4.1%
VIE deconsolidation (c)	0.0%	30.2%	0.0%	0.0%	8.1%	0.0%	0.0%	0.0%	0.0%	6.0%
Integration impact (d)	0.0%	0.0%	0.0%	0.0%	0.0%	4.4%	-0.4%	-10.3%	-23.0%	-0.1%
Acquisitions/divestitures (e)	0.0%	0.0%	0.1%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%	0.2%
Differences in shipping days	0.0%	0.0%	0.0%	0.0%	0.0%	-0.3%	0.0%	0.0%	0.0%	0.0%
Venezuela remeasurement (f)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-101.0%	0.0%	-30.5%	-9.1%
Comparable growth (g)	**-3.6%**	**-12.6%**	**-8.2%**	**-24.9%**	**-11.1%**	**-0.8%**	**-2.5%**	**6.1%**	**49.2%**	**-8.2%**
Foreign currency impact	0.2%	0.0%	0.0%	-4.0%	-0.7%	-9.9%	-9.5%	-15.3%	-166.7%	-3.8%
Currency-Neutral Comparable growth (h)	**-3.8%**	**-12.6%**	**-8.2%**	**-20.9%**	**-10.4%**	**9.1%**	**7.0%**	**21.4%**	**215.9%**	**-4.4%**

(a) Includes mark-to-market adjustments for pension plans, commodity contracts and certain foreign currency 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 and 2013. The amounts capitalized at the end of 2014 and 2013 have been recognized in the first quarter of 2015 and 2014, 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.

(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.

(c) In connection with the deconsolidation of a VIE in the second quarter of 2015, we re-allocated the goodwill associated with the U.S. Snacks segment and the VIE on a relative fair value basis, resulting in a $67 million non-cash gain.

(d) Includes impact of integration costs associated with the Bisco Misr and Pringles acquisitions.

(e) Includes impact of Bisco Misr acquisition during year-to-date period ended July 4, 2015 and the 2014 divestiture of Loma Linda.

(f) Venezuela remeasurement includes the impact of remeasuring bolivar-denominated balances as of quarter end at the SIMADI rate of 198.4 bolivars to the US dollar. The income statement for this business was translated at the CENCOEX rate of 6.3 bolivars to the U.S. dollar through the end of the second quarter. Beginning in the third quarter of 2015, all operating results and balance sheet values will be translated using the SIMADI rate.

(g) 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.

(h) Currency-Neutral Comparable Net Sales growth and Currency Neutral 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. 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 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.

(i) 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
(Pre-tax millions)

	Quarter ended July 4, 2015				Year-to-date period ended July 4, 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
2015								
U.S. Morning Foods	$ -	$ 11	$ 2	$ 13	$ -	$ 16	$ 5	$ 21
U.S. Snacks	-	8	2	10	-	13	6	19
U.S. Specialty	-	-	1	1	-	-	2	2
North America Other	-	23	-	23	2	25	2	29
Europe	-	20	5	25	-	36	8	44
Latin America	-	1	-	1	-	1	-	1
Asia Pacific	-	2	1	3	-	6	2	8
Corporate	-	-	14	14	-	-	34	34
Total	$ -	$ 65	$ 25	$ 90	$ 2	$ 97	$ 59	$ 158

	Quarter ended June 28, 2014				Year-to-date period ended June 28, 2014			
	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	$ -	$ 15	$ -	$ 15	$ -	$ 24	$ 2	$ 26
U.S. Snacks	-	4	(1)	3	-	9	1	10
U.S. Specialty	-	1	(1)	-	-	1	-	1
North America Other	-	4	2	6	-	6	3	9
Europe	-	4	24	28	-	9	31	40
Latin America	-	-	1	1	-	-	5	5
Asia Pacific	-	2	3	5	-	6	5	11
Corporate	-	1	19	20	-	1	29	30
Total	$ -	$ 31	$ 47	$ 78	$ -	$ 56	$ 76	$ 132
2015 Variance - better(worse) than 2014								
U.S. Morning Foods	$ -	$ 4	$ (2)	$ 2	$ -	$ 8	$ (3)	$ 5
U.S. Snacks	-	(4)	(3)	(7)	-	(4)	(5)	(9)
U.S. Specialty	-	1	(2)	(1)	-	1	(2)	(1)
North America Other	-	(19)	2	(17)	(2)	(19)	1	(20)
Europe	-	(16)	19	3	-	(27)	23	(4)
Latin America	-	(1)	1	-	-	(1)	5	4
Asia Pacific	-	-	2	2	-	-	3	3
Corporate	-	1	5	6	-	1	(5)	(4)
Total	$ -	$ (34)	$ 22	$ (12)	$ (2)	$ (41)	$ 17	$ (26)

Kellogg Company and Subsidiaries
Integration costs *

(Pre-tax millions)

	Quarter ended July 4, 2015				Year-to-date period ended July 4, 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
2015								
Europe	$ -	$ 2	$ 1	$ 3	$ -	$ 5	$ 3	$ 8
Asia Pacific	-	1	1	2	-	4	1	5
Corporate	-	-	1	1	-	-	1	1
Total	$ -	$ 3	$ 3	$ 6	$ -	$ 9	$ 5	$ 14

	Quarter ended June 28, 2014				Year-to-date period ended June 28, 2014			
	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								
Europe	$ -	$ 5	$ 3	$ 8	$ -	$ 9	$ 5	$ 14
Asia Pacific	-	1	1	2	-	1	1	2
Corporate	-	-	-	-	-	-	1	1
Total	$ -	$ 6	$ 4	$ 10	$ -	$ 10	$ 7	$ 17
2015 Variance - better(worse) than 2014								
Europe	$ -	$ 3	$ 2	$ 5	$ -	$ 4	$ 2	$ 6
Asia Pacific	-	-	-	-	-	(3)	-	(3)
Corporate	-	-	(1)	(1)	-	-	-	-
Total	$ -	$ 3	$ 1	$ 4	$ -	$ 1	$ 2	$ 3

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

Kellogg Company and Subsidiaries
Venezuela remeasurement*
(Pre-tax millions)

	Quarter ended July 4, 2015					Year-to-date period ended July 4, 2015				
	Net Sales	Cost of goods sold	Selling, general and administrative expense	Other (income) expense	Total	Net Sales	Cost of goods sold	Selling, general and administrative expense	Other (income) expense	Total
2015										
Latin America	$ -	$ 99	$ 3	$ 10	$ 112	$ -	$ 99	$ 3	$ 10	$ 112
Corporate	-	1	-	39	40	-	1	-	39	40
Total	$ -	$ 100	$ 3	$ 49	$ 152	$ -	$ 100	$ 3	$ 49	$ 152

	Quarter ended June 28, 2014					Year-to-date period ended June 28, 2014				
	Net Sales	Cost of goods sold	Selling, general and administrative expense	Other (income) expense	Total	Net Sales	Cost of goods sold	Selling, general and administrative expense	Other (income) expense	Total
2014										
Latin America	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Corporate	-	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2015 Variance - better(worse) than 2014										
Latin America	$ -	$ (99)	$ (3)	$ (10)	$ (112)	$ -	$ (99)	$ (3)	$ (10)	$ (112)
Corporate	-	(1)	-	(39)	(40)	-	(1)	-	(39)	(40)
Total	$ -	$ (100)	$ (3)	$ (49)	$ (152)	$ -	$ (100)	$ (3)	$ (49)	$ (152)

* Venezuela remeasurement includes the impact of remeasuring bolivar-denominated balances as of quarter end at the SIMADI rate of 198.4 bolivars to the US dollar. The income statement for this business was translated at the CENCOEX rate of 6.3 bolivars to the U.S. dollar through the end of the second quarter. Beginning in the third quarter of 2015, all operating results and balance sheet values will be translated using the SIMADI rate.

Kellogg Company and Subsidiaries
Recast Segment Data as shown on Q1 2015 Press Release

2014 (millions)	Quarter ended				Year-to-date period ended		
	March 29, 2014	June 28, 2014	September 27, 2014	January 3, 2015	June 28, 2014	September 27, 2014	January 3, 2015
Net Sales (Recast*)							
U.S. Morning Foods	$ 799	$ 759	$ 782	$ 768	$ 1,558	$ 2,340	$ 3,108
U.S. Snacks	864	851	807	807	1,715	2,522	3,329
U.S. Specialty	372	276	270	280	648	918	1,198
North America Other	482	464	470	448	946	1,416	1,864
North America Total	2,517	2,350	2,329	2,303	4,867	7,196	9,499
Europe	705	767	720	677	1,472	2,192	2,869
Latin America	278	320	320	287	598	918	1,205
Asia Pacific	242	248	270	247	490	760	1,007
Consolidated	$ 3,742	$ 3,685	$ 3,639	$ 3,514	$ 7,427	$ 11,066	$ 14,580
Operating Profit (Recast*)							
U.S. Morning Foods	$ 126	$ 137	$ 115	$ 101	$ 263	$ 378	$ 479
U.S. Snacks	86	124	59	95	210	269	364
U.S. Specialty	87	63	59	57	150	209	266
North America Other	83	74	69	68	157	226	294
North America Total	382	398	302	321	780	1,082	1,403
Europe	65	50	59	58	115	174	232
Latin America	48	47	50	24	95	145	169
Asia Pacific	16	5	18	14	21	39	53
Total Reportable Segments	511	500	429	417	1,011	1,440	1,857
Corporate	103	(33)	(64)	(839)	70	6	(833)
Consolidated	$ 614	$ 467	$ 365	$ (422)	$ 1,081	$ 1,446	$ 1,024

* During the first quarter of 2015, the Kashi operating segment was established and is included in North America Other. The Kashi financial results that were previously included in the U.S. Morning Foods, U.S. Snacks, and U.S. Frozen Foods operating segments are now reported in the Kashi operating segment which is reported in North America Other. Other business unit re-organizations occurred between Europe and Asia Pacific.

Kellogg Company and Subsidiaries
Recast Segment Data as shown on Q1 2015 Press Release

2014 (millions)	Quarter ended				Year-to-date period ended		
	March 29, 2014	June 28, 2014	September 27, 2014	January 3, 2015	June 28, 2014	September 27, 2014	January 3, 2015
Net Sales (As originally reported)							
U.S. Morning Foods	$ 861	$ 820	$ 841	$ 816	$ 1,681	$ 2,522	$ 3,338
U.S. Snacks	903	893	849	850	1,796	2,645	3,495
U.S. Specialty	372	276	270	280	648	918	1,198
North America Other	381	361	369	357	742	1,111	1,468
North America Total	2,517	2,350	2,329	2,303	4,867	7,196	9,499
Europe	708	772	726	681	1,480	2,206	2,887
Latin America	278	320	320	287	598	918	1,205
Asia Pacific	239	243	264	243	482	746	989
Consolidated	$ 3,742	$ 3,685	$ 3,639	$ 3,514	$ 7,427	$ 11,066	$ 14,580
Operating Profit (As originally reported)							
U.S. Morning Foods	$ 128	$ 143	$ 118	$ 101	$ 271	$ 389	$ 490
U.S. Snacks	95	130	67	103	225	292	395
U.S. Specialty	87	63	59	57	150	209	266
North America Other	72	62	58	60	134	192	252
North America Total	382	398	302	321	780	1,082	1,403
Europe	67	53	61	59	120	181	240
Latin America	48	47	50	24	95	145	169
Asia Pacific	14	2	16	13	16	32	45
Total Reportable Segments	511	500	429	417	1,011	1,440	1,857
Corporate	103	(33)	(64)	(839)	70	6	(833)
Consolidated	$ 614	$ 467	$ 365	$ (422)	$ 1,081	$ 1,446	$ 1,024