Conclusions.

The Organization.

- 7,500 Sales Employees
- Focus in 9 Categories
- Across 4 Departments
- Multi-Faceted Sales Force

- Frozen Foods
  - Breakfast
  - Snacks
  - Pharmacy
- Warehouse
- Direct Store Delivery
- Broker

Key Trips for Customers. >50%.
Dollars in Kellogg Key Categories Tied to Stock-Up Trips.

Bigger Baskets. $41.
Average Dollars Difference in Basket Size When Kellogg’s Core Categories are Included in Trip versus Not.

Critical Mass Categories. Four.
Number of Categories Kellogg’s Has Key Stake - Household Penetration +85%.
The Aspiration.

**Where We Need to Be:**

**Optimal Future State:** Vision Balanced Between Key Shopper Segments and Key Category Segments

**How We Get There:**

**Current State:** Thorough Understanding of Current Business - Over and Under-Developed Areas of the Snacking Portfolio.

**Where We Are Today:**
The Transformation.

<table>
<thead>
<tr>
<th>Headline</th>
<th>Yesterday</th>
<th>Today</th>
<th>Tomorrow</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Fact Based Selling”</td>
<td>“Category Measurement”</td>
<td>“Actionable Insights”</td>
<td></td>
</tr>
<tr>
<td>Currency</td>
<td>Data</td>
<td>Information</td>
<td>Prioritized Information</td>
</tr>
<tr>
<td>Driver</td>
<td>Relationships</td>
<td>Technology</td>
<td>Human Capital</td>
</tr>
<tr>
<td>Value</td>
<td>Aggregating data</td>
<td>Measurement</td>
<td>Targeting</td>
</tr>
<tr>
<td>Analogy</td>
<td>URL’S</td>
<td></td>
<td>Google</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>The Realization.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Insight leadership ties to asking better questions than the industry.</td>
</tr>
<tr>
<td>2.</td>
<td>We aren’t asking data, tool and execution vendors to generate <em>insights</em>. We leverage their core strengths.</td>
</tr>
<tr>
<td>3.</td>
<td><em>Insights</em> aren’t a functionally exclusive asset. They are the lifeblood of everything we do… everywhere.</td>
</tr>
<tr>
<td>4.</td>
<td>We govern &amp; provide guidance in Battle Creek. We execute with excellence in the field.</td>
</tr>
<tr>
<td>5.</td>
<td>Tier One customers value their own data <em>primarily</em>. They value syndicated for ROM.</td>
</tr>
</tbody>
</table>
The Inversion.

**Effects.**

**Cause - Driving Questions**

"WHAT"

"HOW"

**Accidental Results**  **Intentional Results**

The Conclusion.


Source: The Future’s Company; Kellogg’s – Future of Food
Source: Kellogg’s Project Odyssey; Global/US Snacks Shopper Segmentation Study; April 2014
The Drivers.

Convenience

Performance

Sensorial Engagement

Dynamic Retail

Transparency

Consumer Diversity

Health Conscious

71% Total Grocery Store Growth Coming From Fresh & Alcohol (14)

15% Total Grocery Store Growth Coming From Dry Grocery (44)

55% Dry Grocery Growth Dollars Linked to 4 Categories (17)

Source: Nielsen L52 Week Data ending 7/6/2013
The Focused Questions. White Space Identified.

Why Are Kids Cereals & Granola Driving Majority of Growth in Cereal Based on These Conclusions?

Focus Segments or Big Bets

## The Conclusions Driving Category Prioritization

<table>
<thead>
<tr>
<th>Category</th>
<th>Focus Segment</th>
<th>L52 Week $</th>
<th>Absolute Growth N5 Years</th>
<th>Tenets of Versatility</th>
<th>CAGR Assumption</th>
<th>Shopper Intersection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category #1</td>
<td>Segment #1</td>
<td>$xxx</td>
<td>$xxx</td>
<td>#1, #2, #3</td>
<td>xx%</td>
<td>#1, #4, #5</td>
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<td>Category #2</td>
<td>Segment #2</td>
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<td>#2, #4</td>
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<tr>
<td>Category #3</td>
<td>Segment #3</td>
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<td>$xxx</td>
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<td>xx%</td>
<td>#2, #4</td>
</tr>
<tr>
<td>Category #4</td>
<td>Segment #4</td>
<td>$xxx</td>
<td>$xxx</td>
<td>#1, #2, #3</td>
<td>xx%</td>
<td>#2, #4</td>
</tr>
</tbody>
</table>

Starts with disregard to Kellogg’s share of category and segment; primary focus on conclusions.

Establishes the primary focus areas for our strategy team, shelving principles & white space analysis.