KELLOGG CO
Form 424B3
May 07, 2018
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Registration No. 333-209699

The information in this preliminary prospectus supplement is not complete and may be changed. We are not using this preliminary prospectus supplement or the accompanying prospectus to offer to sell these securities or to solicit offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated May 7, 2018

PRELIMINARY PROSPECTUS SUPPLEMENT

(To prospectus dated February 25, 2016)

$ % Senior Notes due 2021

$ % Senior Notes due 2028

We are offering $ aggregate principal amount of % Senior Notes due 2021 (the 2021 notes) and $ aggregate principal amount of % Senior Notes due 2028 (the 2028 notes and, together with the 2021 notes, the notes). The 2021 notes will mature on , 2021 and the 2028 notes will mature on , 2028. Interest on the notes is payable semi-annually in arrears on and of each year, beginning , 2018.

We may redeem some or all of the notes of any series at any time and from time to time at the applicable make-whole redemption prices described under the heading Description of the Notes Optional Redemption.

If we experience a change of control repurchase event, unless we have exercised our right to redeem the notes, we will be required to offer to repurchase the notes from holders as described under the heading Description of the Notes Repurchase at Option of Holders Upon Change of Control Repurchase Event.

The notes will be our senior unsecured obligations, and will rank equally in right of payment with all of our other senior unsecured indebtedness from time to time outstanding.

Investing in the notes involves risks. See Risk Factors beginning on page S-5 of this prospectus supplement and the risks discussed elsewhere in this prospectus supplement, the accompanying prospectus and the documents we file with the Securities and Exchange Commission.

Neither the Securities and Exchange Commission nor any other state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Public offering price (1)	Underwriting discounts and commissions	Proceeds, before expenses, to us
Per 2021 note	%	%	%
Total	$	$	$
Per 2028 note	%	%	%
Total	$	$	$

(1) Interest on the notes will accrue from , 2018 to the date of delivery.

We expect to deliver the notes to investors in registered book-entry form through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, S.A., and Euroclear Bank SA/NV, on or about , 2018.

Joint Book-Running Managers

Citigroup **HSBC** **J.P. Morgan** **Wells Fargo Securities**

The date of this prospectus supplement is May , 2018.

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No person has been authorized to give any information or to make any representations other than those contained in this prospectus supplement, the accompanying prospectus or any free writing prospectus we and the underwriters have authorized and, if given or made, such information or representations must not be relied upon as having been authorized. This prospectus supplement, the accompanying prospectus and any free writing prospectus we and the underwriters have authorized do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this prospectus supplement in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement, the accompanying prospectus or any free writing prospectus we and the underwriters have authorized nor any sale made hereunder or thereunder shall, under any circumstances, create any implication that there has been any change in the affairs of Kellogg since the date of this prospectus supplement or that the information contained or incorporated by reference herein or therein is correct as of any time subsequent to its date.

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MiFID II Product Governance / Professional Investors and ECPs only Target Market Solely for the purposes of the manufacturer s product approval process, the target market assessment in respect of the notes has led to the conclusion that: (i) the target market for the notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the notes (a distributor) should take into consideration the manufacturer s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the notes (by either adopting or refining the manufacturer s target market assessment) and determining appropriate distribution channels.

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Summary

This summary highlights information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary is not intended to be a complete description of the matters covered in this prospectus supplement and the accompanying prospectus and is subject to, and qualified in its entirety by reference to, the more detailed information and financial statements (including the notes thereto) included or incorporated by reference in this prospectus supplement and the accompanying prospectus. You should read this prospectus supplement, the accompanying prospectus and any free writing prospectus we have authorized, together with additional information described in the accompanying prospectus in the section titled Where You Can Find More Information and in this prospectus supplement in the section titled Incorporation of Certain Information by Reference. Unless otherwise specified or indicated by the context, Kellogg, we, us and our refer to Kellogg Company and its divisions and subsidiaries.

Kellogg Company

Kellogg Company is the world s leading producer of cereal, second largest producer of cookies and crackers, and a leading producer of savory snacks and frozen foods. Additional product offerings include toaster pastries, cereal bars, fruit-flavored snacks and veggie foods. Kellogg products are manufactured and marketed globally.

Our brands are well recognized around the world. We market our products under well-known registered trademarks, including *Pringles, Cheez-It, Keebler, Special K, Kellogg s Frosted Flakes, Pop-Tarts, Kellogg s Corn Flakes, Rice Krispies, Eggo, Mini-Wheats, Kashi, RXBAR* and more. Our registered trademarks also include the brand names of many popular ready-to-eat cereals and convenience foods, including *Special K, All-Bran, Apple Jacks, Kellogg s Corn Flakes, Kellogg s Frosted Flakes, Froot Loops, Rice Krispies Treats, Frosted Mini-Wheats* and *Fudge Shoppe,* as well as animated cartoon characters, such as *Tony the Tiger, Snap!Crackle!Pop!, Dig Em, Toucan Sam* and *Ernie Keebler.*

Kellogg Company was incorporated in Delaware in 1922. Our principal executive offices are located at One Kellogg Square, P.O. Box 3599, Battle Creek, Michigan 49016-3599 and our telephone number is (269) 961-2000.

Recent Developments

On May 2, 2018, Kellogg Company (i) acquired additional ownership in Multipro Singapore Pte. Ltd. (Multipro), a leading distributor of a variety of food products in Nigeria and Ghana, and (ii) exercised its call option to acquire an ownership interest in Tolaram Africa Foods, PTE LTD, one of the holding companies of an affiliated food manufacturing entity under common ownership with Multipro (collectively, the Acquisition). The aggregate consideration paid for the Acquisition was approximately $420 million and was funded through cash on hand and $400 million of commercial paper borrowings. We intend to use all of the net proceeds from this offering for general corporate purposes, including (i) the repayment of $400 million aggregate principal amount of our 3.25% Senior Notes due 2018 (the 2018 Notes), (ii) the repayment of a portion of our commercial paper borrowings (including the commercial paper borrowings used to finance the Acquisition) and (iii) the payment of offering related fees and expenses.

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The Offering

Issuer	Kellogg Company.
Notes Offered	$ aggregate principal amount of % senior notes due 2021.
	$ aggregate principal amount of % senior notes due 2028.
Maturity	The 2021 notes will mature on , 2021.
	The 2028 notes will mature on , 2028.
Interest Rates	The 2021 notes will accrue interest at a rate per year equal to %.
	The 2028 notes will accrue interest at a rate per year equal to %.
Interest Payment Dates	Interest on the notes will accrue from , 2018 and will be payable semi-annually in arrears on and of each year, beginning on , 2018.
Ranking	The notes will be our unsecured and unsubordinated obligations and will rank on a parity with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. The notes will be effectively subordinated to all liabilities of our subsidiaries, including trade payables. As of March 31, 2018, our subsidiaries had $330 million of indebtedness (including outstanding letters of credit but excluding trade payables).
Optional Redemption	We may redeem the 2021 notes at our option, at any time in whole or from time to time in part, at a redemption price equal to the greater of:
	100% of the principal amount of the 2021 notes being redeemed; and

the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the redemption date), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in Description of the Notes Optional Redemption), plus basis points.

We will also pay the accrued and unpaid interest, if any, on the 2021 notes to the redemption date.

Prior to , 2028 (the date that is three months prior to the maturity date of the 2028 notes (the Par Call Date)), we may redeem the 2028 notes at our option, at any time in whole or from time to time in part, at a redemption price equal to the greater of:

100% of the principal amount of the 2028 notes being redeemed; and

	the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if such notes matured on the Par Call Date (not including any portion of such payments of interest accrued as of the redemption date), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in Description of the Notes Optional Redemption), plus basis points.
	We will also pay the accrued and unpaid interest, if any, on the 2028 notes to the redemption date. On or after the Par Call Date, we may redeem the 2028 notes at our option, at any time in whole or from time to time in part, at a redemption price equal to 100% of the principal amount of the 2028 notes being redeemed plus accrued and unpaid interest, if any, on the 2028 notes to the redemption date.
Repurchase at Option of Holders Upon a Change of Control Repurchase Event	If we experience a Change of Control Repurchase Event (as defined in Description of the Notes Repurchase at Option of Holders Upon Change of Control Repurchase Event), we will be required, unless we have exercised our right to redeem the notes, to offer to repurchase the notes at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase.
Covenants	Under the indenture, we have agreed to certain restrictions on our ability to incur debt secured by liens and to enter into certain transactions. See Description of Debt Securities Covenants Limitation on Liens, Sale and Leaseback, and Merger, Consolidation or Sale of Assets in the accompanying prospectus.
Use of Proceeds	We intend to use all of the net proceeds from this offering for general corporate purposes, including (i) the repayment of $400 million aggregate principal amount of 2018 Notes, (ii) the repayment of a portion of our commercial paper borrowings (including commercial paper borrowings used to finance the Acquisition) and (iii) the payment of offering related fees and expenses.
	See Use of Proceeds in this prospectus supplement.
Additional Notes	We may from time to time, without giving notice to or seeking the consent of the holders of the notes, issue debt securities having the same terms (except for the issue date and, in some cases, the public offering price and the first interest payment date) as, and ranking equally and

ratably with, the notes. Any additional debt securities having such similar terms, together with the notes, will constitute a single series of securities under the indenture, including for purposes of voting and redemptions.

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Denomination and Form	We will issue the notes in the form of one or more fully registered global notes registered in the name of the nominee of The Depository Trust Company, or DTC. Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Clearstream Banking, S.A. (Clearstream) and Euroclear Bank, SA/NV (Euroclear) will hold interests on behalf of their participants through their respective U.S. depositaries, which in turn will hold such interests in accounts as participants of DTC. Except in the limited circumstances described in this prospectus supplement, owners of beneficial interests in the notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive notes in definitive form and will not be considered holders of notes under the indenture. The notes will be issued only in denominations of $2,000 and integral multiples of $1,000 in excess thereof.
Risk Factors	You should carefully read and consider the information set forth in Risk Factors beginning on page S-5 and the risk factors set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 30, 2017 before investing in the notes.
Trustee	The Bank of New York Mellon Trust Company, N.A.
Governing Law	State of New York.

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Risk Factors

An investment in the notes involves risks. Before deciding whether to purchase the notes, you should consider the risks discussed below and elsewhere in this prospectus supplement or the accompanying prospectus, including those set forth under the heading Cautionary Statement About Forward-Looking Statements in this prospectus supplement, and in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 30, 2017 that we have incorporated by reference in this prospectus supplement and the accompanying prospectus. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations.

Any of the risks discussed below or elsewhere in this prospectus supplement, the accompanying prospectus or in our filings with the Securities and Exchange Commission (the SEC) incorporated by reference in this prospectus supplement and the accompanying prospectus, and other risks we have not anticipated or discussed, could have a material adverse impact on our business, financial condition or results of operations. In that case, our ability to pay interest on the notes when due or to repay the notes at maturity could be adversely affected, and the trading price of the notes could decline substantially.

We have a substantial amount of indebtedness, which could limit financing and other options and adversely affect our ability to make payments on the notes.

We have indebtedness that is substantial in relation to our shareholders equity. As of March 31, 2018, we had total debt of approximately $8.8 billion and equity of $2.6 billion.

Our substantial indebtedness could have important consequences, including:

- impairing the ability to obtain additional financing for working capital, capital expenditures or general corporate purposes, particularly if the ratings assigned to our debt securities by rating organizations were revised downward; a downgrade in our credit ratings, particularly our short-term credit rating, would likely reduce the amount of commercial paper we could issue, increase our commercial paper borrowing costs, or both;

- restricting our flexibility in responding to changing market conditions or making us more vulnerable in the event of a general downturn in economic conditions or our business;

- requiring a substantial portion of our cash flow from operations to be dedicated to the payment of principal and interest on our debt, reducing the funds available to us for other purposes such as expansion through acquisitions, marketing spending and expansion of our product offerings; and

- causing us to be more leveraged than some of our competitors, which may place us at a competitive disadvantage.

Our ability to make scheduled payments or to refinance our obligations with respect to indebtedness will depend on our financial and operating performance, which in turn, is subject to prevailing economic conditions, the availability of, and interest rates on, short-term financing, and financial, business and other factors beyond our control.

The notes are effectively subordinated to any secured obligations we may have outstanding and to the obligations of our subsidiaries.

Although the notes are unsubordinated obligations, they are effectively subordinated to any secured obligations we may have, to the extent of the assets that serve as security for those obligations. As of March 31, 2018, we had no secured debt (other than $2 million of capital lease obligations). However, since the notes are obligations exclusively of Kellogg Company, and are not guaranteed by our subsidiaries, the notes are also effectively subordinated to all liabilities of our subsidiaries since they are separate and distinct legal entities with no obligation to pay any amounts due under our indebtedness, including the notes, or to make any funds available to us, whether by paying dividends or otherwise, so that we can do so. Under the terms of our indenture, our subsidiaries are not prohibited from incurring additional debt or other liabilities, including senior indebtedness. If our subsidiaries were to incur additional debt or liabilities, our ability to pay our obligations on the notes could be adversely affected. As of March 31, 2018, our subsidiaries had $330 million of indebtedness (including outstanding letters of credit but excluding trade payables).

We may incur additional indebtedness.

The indenture governing the notes does not prohibit us from incurring additional unsecured indebtedness in the future. We are also permitted to incur additional secured indebtedness that would be effectively senior to the notes subject to the limitations described in the section entitled Description of Debt Securities Covenants Limitations on Liens in the accompanying prospectus. The indenture governing the notes also permits unlimited additional borrowings by our subsidiaries that are effectively senior to the notes. In addition, the indenture does not contain any restrictive covenants limiting our ability to pay dividends or make any payments on junior or other indebtedness.

Active trading markets may not develop for the notes.

The notes are new issues of securities for which there are currently no trading markets. We do not intend to apply for listing of the notes on any securities exchange or quotation on an automated dealer quotation system. Although the underwriters have informed us that they currently intend to make a market in the notes of each series after we complete the offering, they have no obligation to do so and may discontinue their market-making at any time without notice. In addition, any market-making activity will be subject to the limits imposed by federal securities laws and may be limited during the offering of the notes.

If active trading markets do not develop or are not maintained, the market prices and liquidity of the notes may be adversely affected. In that case, you may not be able to sell your notes at a particular time or you may not be able to sell your notes at a favorable price. The liquidity of any market for the notes of each series will depend on a number of factors, including:

- the number of holders of the notes;
- our ratings published by major credit rating agencies;
- our financial performance;
- the market for similar securities;
- the interest of securities dealers in making a market in the notes; and
- prevailing interest rates.

We cannot assure you that active markets for the notes will develop or, if developed, will continue.

Our credit ratings may not reflect all risks of an investment in the notes.

The notes will be rated by at least one nationally recognized statistical rating organization. The ratings of our notes will primarily reflect our financial strength and will change in accordance with the rating of our financial strength. Any rating is not a recommendation to purchase, sell or hold any particular security, including the notes. These ratings do not comment as to market price or suitability for a particular investor. In addition, ratings at any time may be lowered or withdrawn in their entirety. The ratings of the notes may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of, the notes. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, could affect the market value of the notes and increase our corporate borrowing costs.

An increase in market interest rates could result in a decrease in the value of the notes.

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if you purchase fixed rate notes and market interest rates increase, the market value of your notes may decline. We cannot predict the future level of market interest rates.

We may not be able to repurchase the notes upon a change of control.

Upon the occurrence of a Change of Control Repurchase Event, unless we have exercised our right to redeem the notes, each holder of notes will have the right to require us to repurchase all or any part of such holder s notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. If we experience a Change of Control Repurchase Event, there can be no assurance that we would have sufficient financial resources available to satisfy our obligations to repurchase the notes. Our failure to repurchase the notes as required under the indenture governing the notes would result in a default under the indenture, which could have material adverse consequences for us and the holders of the notes. See Description of the Notes Repurchase at Option of Holders Upon Change of Control Repurchase Event.

The change of control put right might not be enforceable.

In a 2009 decision that was subsequently affirmed by the Delaware Supreme Court, the Chancery Court of Delaware raised the possibility that a change of control put right occurring as a result of a failure to have continuing directors comprising a majority of a board of directors might be unenforceable on public policy grounds.

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Cautionary Statement About Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by us or on our behalf. Certain statements contained in this prospectus supplement, the accompanying prospectus, the information incorporated herein by reference, and other written and oral statements made from time to time by us or on our behalf are based on current projections about operations, industry conditions, financial condition, and liquidity, may not relate strictly to historical or current facts and may contain forward-looking statements that reflect our current views with respect to future events and financial performance. As such, they are considered forward-looking statements which provide current expectations or forecasts of future events. Such statements can be identified by the use of terminology such as may, could, will, can, should, possible, plan, predict, forecast, potential estimate, expect, project, intend, believe, may impact, on track, and similar words or expressions. These forward-looking statements should be considered with the understanding that such statements involve a variety of risks and uncertainties, known and unknown, and may be affected by inaccurate assumptions. Consequently, no forward-looking statement can be guaranteed and actual results may vary materially.

Forward-looking statements in this document or in the information incorporated herein by reference may include, but are not limited to, statements regarding expected earnings per share, cash flow, industry unit shipments, productivity and raw material prices. Many risks, contingencies and uncertainties could cause actual results to differ materially from our forward-looking statements. Among these factors are: (1) our ability to implement Project K, including exiting our Direct-Store-Door distribution system; (2) whether the expected amount of costs associated with Project K will exceed forecasts; (3) whether the Company will be able to realize the anticipated benefits from Project K in the amounts and times expected; (4) the ability to realize the benefits we expect from the adoption of zero-based budgeting in the amounts and at the times expected; (5) the ability to realize anticipated benefits from revenue growth management; (6) the ability to realize the anticipated benefits and synergies from acquired businesses in the amounts and at the times expected; (7) the impact of competitive conditions; (8) the effectiveness of pricing, advertising, and promotional programs; (9) the success of innovation, renovation and new product introductions; (10) the recoverability of the carrying value of goodwill and other intangibles; (11) the success of productivity improvements and business transitions; (12) commodity and energy prices; (13) labor costs; (14) disruptions or inefficiencies in supply chain; (15) the availability of and interest rates on short-term and long-term financing; (16) actual market performance of benefit plan trust investments; (17) the levels of spending on systems initiatives, properties, business opportunities, integration of acquired businesses, and other general and administrative costs; (18) changes in consumer behavior and preferences; (19) the effect of U.S. and foreign economic conditions on items such as interest rates, statutory tax rates, currency conversion and availability; (20) legal and regulatory factors including changes in food safety, advertising and labeling laws and regulations; (22) the ultimate impact of product recalls; (23) adverse changes in global climate or extreme weather conditions; (24) business disruption or other losses from natural disasters, war, terrorist acts, or political unrest; and (25) the risks and uncertainties described herein under Risk Factors.

Except as required by law, we undertake no obligation to update any forward-looking statement, and investors are advised to review disclosures in our filings with the SEC. It is not possible to foresee or identify all factors that could cause actual results to differ from expected or historic results. Therefore, investors should not consider the foregoing factors to be an exhaustive statement of all risks, uncertainties, or factors that could potentially cause actual results to differ from forward-looking statements. Additional information concerning these factors can be found in our periodic filings with the SEC, including our most recent Annual Report on Form 10-K, as updated by our quarterly reports on Form 10-Q, current reports on Form 8-K and other filings we make with the SEC.

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Use of Proceeds

We expect the net proceeds from the sale of the notes to be approximately $ million, after deduction of our offering expenses and underwriting discounts and commissions. We intend to use all of the net proceeds from this offering for general corporate purposes, including (i) the repayment of $400 million aggregate principal amount of our 2018 Notes when they mature on May 21, 2018, (ii) the repayment of a portion of our commercial paper borrowings (including commercial paper borrowings used to finance the Acquisition) and (iii) the payment of offering related fees and expenses. The 2018 Notes accrue interest at a rate of 3.25% per year. Our U.S. and European commercial paper carries a weighted-average interest rate of 1.88% and has various maturity dates with the last being May 24, 2018. As of March 31, 2018, we had $388 million of commercial paper borrowings. In connection with the closing of the Acquisition, we incurred $400 million of commercial paper borrowings.

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Capitalization

The following table sets forth our short-term debt and total long-term debt and equity as of March 31, 2018 and as adjusted to give effect to the sale of the notes offered hereby and the use of the net proceeds from the sale of the notes for general corporate purposes, including (i) the repayment of $400 million aggregate principal amount of our 2018 Notes when they mature on May 21, 2018, (ii) the repayment of a portion of our commercial paper borrowings (including commercial paper borrowings used to finance the Acquisition) and (iii) the payment of offering related fees and expenses, as described in Use of Proceeds. The following information should be read in conjunction with our consolidated financial statements and the accompanying notes, which are incorporated by reference herein. Refer to Where You Can Find More Information in the accompanying prospectus.

	At March 31, 2018			
	Actual		As Adjusted	
	(Dollars in millions, except per share information)			
Short-term debt(1):				
Notes payable(2)	$	469	$	
Current maturities of long-term debt		408		7
Total short-term debt	$	877	$	
Long-term debt:				
3.25% Notes due 2018	$	401	$	
4.15% Notes due 2019		506		506
4.000% Notes due 2020		847		847
1.750% Euro Notes due 2021		613		613
0.800% Euro Notes due 2022		736		736
3.125% Notes due 2022		368		368
2.65% Notes due 2023		597		597
2.75% Notes due 2023		210		210
1.000% Euro Notes due 2024		744		744
1.25% Euro Notes due 2025		736		736
3.25% Notes due 2026		746		746
3.40% Notes due 2027		595		595
7.45% Debentures due 2031		620		620
4.500% Debentures due 2046		638		638
2021 notes offered hereby				
2028 notes offered hereby				
Other		(68)		(68)
Less current maturities of long-term debt		(408)		(7)
Total long-term debt		7,881		
Equity:				
Common stock ($.25 par value per share)		105		105
Capital in excess of par value		852		852

Retained earnings	7,334	7,334
Treasury stock at cost	(4,346)	(4,346)
Accumulated other comprehensive income (loss)	(1,407)	(1,407)
Noncontrolling interests	16	16
Total equity	2,554	2,554
Total long-term debt and equity	$ 10,435	$

(1) At March 31, 2018 we also had $2.5 billion of short-term lines of credit, virtually all of which were unused and available for borrowing on an unsecured basis. These lines were comprised principally of an unsecured

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Five-Year Credit Agreement, which we entered into during January 2018 and expires in 2023 and an unsecured 364-Day Credit Agreement, which we entered into on January 30, 2018.

(2) In connection with the closing of the Acquisition on May 2, 2018, we incurred an additional $400 million of commercial paper borrowings.

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Ratio of Earnings to Fixed Charges

The following table sets forth our ratio of earnings to fixed charges for the periods indicated. This information should be read in conjunction with our consolidated financial statements and the accompanying notes, which are incorporated by reference herein. Refer to Where You Can Find More Information in the accompanying prospectus.

	Three Months Ended	Fiscal Year Ended				
	March 31, 2018	December 30, 2017	December 31, 2016	January 2, 2016	January 3, 2015	December 28, 2013
Ratios of earnings to fixed charges	7.5x	6.5x	4.0x	3.6x	4.0x	10.0x

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Description of the Notes

As used in this section, Kellogg, we, us and our refer to Kellogg Company, the issuer of the notes.

The notes will be issued under an indenture, dated May 21, 2009, between Kellogg and The Bank of New York Mellon Trust Company, N.A., as trustee (the indenture).

The following description of the particular terms of the notes offered by this prospectus supplement augments, and to the extent inconsistent replaces, the description of the general terms and provisions of the debt securities under Description of Debt Securities in the accompanying prospectus. The following discussion summarizes selected provisions of the indenture. Because this is only a summary, it is not complete and does not describe every aspect of the notes and the indenture. Whenever there is a reference to defined terms of the indenture, the defined terms are incorporated by reference, and the statement is qualified in its entirety by that reference.

A copy of the indenture can be obtained by following the instructions under the heading Where You Can Find More Information in the accompanying prospectus. You should read the indenture for provisions that may be important to you but which are not included in this summary.

General Terms of the Notes

The 2021 notes will mature on , 2021, and the 2028 notes will mature on , 2028, each at 100% of their respective principal amounts. The notes will be our unsecured and unsubordinated obligations and will rank on parity with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. The notes will be effectively subordinated to all liabilities of our subsidiaries, including trade payables, and effectively subordinated to all secured obligations, to the extent of the assets that serve as security for those obligations. As of March 31, 2018, our subsidiaries had $330 million of indebtedness (including outstanding letters of credit but excluding trade payables) and we had no secured debt (other than $2 million of capital lease obligations).

The indenture does not limit the amount of notes, debentures or other evidences of indebtedness that we may issue under the indenture and provides that notes, debentures or other evidences of indebtedness may be issued from time to time in one or more series.

The original principal amount of the 2021 notes will be $. The original principal amount of the 2028 notes will be $.

We may from time to time, without giving notice to or seeking the consent of the holders of the notes, issue debt securities having the same terms (except for the issue date and, in some cases, the public offering price and the first interest payment date) as, and ranking equally and ratably with, the notes. Any additional debt securities having such similar terms, together with the notes, will constitute a single series of securities under the indenture, including for purposes of voting and redemptions. No such additional debt securities may be issued if an event of default (as such term is defined in the accompanying prospectus) has occurred and is continuing with respect to the notes.

The 2021 notes will bear interest at the rate of % per year. The 2028 notes will bear interest at the rate of % per year. Interest on the notes will accrue from , 2018, payable semi-annually in arrears on and of each year, commencing , 2018, to the persons in whose names the notes were registered at the close of business on the immediately preceding and , respectively (whether or not a business day). Interest on the notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. Principal and interest will be payable, and the notes will be transferable or exchangeable, at the office or offices or agency maintained by us for this purpose. Payment of interest on the notes may be made at our option by check mailed to the registered holders.

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Any payment otherwise required to be made in respect of notes on a date that is not a business day for the notes may be made on the next succeeding business day with the same force and effect as if made on that date. No additional interest shall accrue as a result of a delayed payment. A business day is defined in the indenture as a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

The notes will be issued only in fully registered form without coupons in denominations of $2,000 and integral multiples of $1,000 in excess thereof. No service charge will be made for any transfer or exchange of the notes, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with a transfer or exchange. The notes will be represented by one or more global securities registered in the name of a nominee of DTC. The notes will be available only in book-entry form. Refer to Book-Entry Delivery and Form.

We will initially appoint the trustee at its corporate trust office as a paying agent, transfer agent and registrar for the notes. We will cause each transfer agent to act as a co-registrar and will cause to be kept at the office of the registrar a register in which, subject to such reasonable regulations as we may prescribe, we will provide for the registration of the notes and registration of transfers of the notes. We may vary or terminate the appointment of any paying agent or transfer agent, or appoint additional or other such agents or approve any change in the office through which any such agent acts. We will provide you with notice of any resignation, termination or appointment of the trustee or any paying agent or transfer agent, and of any change in the office through which any such agent will act.

Optional Redemption

The 2021 notes may be redeemed at our option, at any time in whole or from time to time in part. The redemption price for the 2021 notes to be redeemed on any redemption date will be equal to the greater of the following amounts:

- 100% of the principal amount of the 2021 notes being redeemed on the redemption date; or

- the sum of the present values of the remaining scheduled payments of principal and interest on the 2021 notes being redeemed on that redemption date (not including any portion of any payments of interest accrued to the redemption date) discounted to the redemption date on a semiannual basis at the Treasury Rate (as defined below), as determined by the Reference Treasury Dealer (as defined below), plus basis points;

plus, in each case, accrued and unpaid interest on the 2021 notes to the redemption date. Notwithstanding the foregoing, installments of interest on the 2021 notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to the 2021 notes and the indenture. The redemption price will be calculated by us on the basis of a 360-day year consisting of twelve 30-day months.

Prior to , 2028 (the date that is three months prior to the maturity date of the 2028 notes (the Par Call Date)), the 2028 notes may be redeemed at our option, at any time in whole or from time to time in part. The redemption price for the 2028 notes to be redeemed on any redemption date will be equal to the greater of the following amounts:

100% of the principal amount of the 2028 notes being redeemed on the redemption date; or

the sum of the present values of the remaining scheduled payments of principal and interest on the 2028 notes being redeemed that would be due if such 2028 notes matured on the Par Call Date (not including any portion of any payments of interest accrued to the redemption date) discounted to the redemption date on a semi-annual basis at the Treasury Rate, as determined by the Reference Treasury Dealer, plus basis points;

plus, in each case, accrued and unpaid interest on the 2028 notes to the redemption date. Notwithstanding the foregoing, installments of interest on the 2028 notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to the 2028 notes and the indenture. The redemption price will be calculated by us on the basis of a 360-day year consisting of twelve 30-day months.

On or after the Par Call Date, the 2028 notes will be redeemable, at our option, at any time in whole, or from time to time in part, at a redemption price equal to 100% of the principal amount of the 2028 notes plus accrued and unpaid interest, to, but excluding, the redemption date. Notwithstanding the foregoing, installments of interest on the 2028 notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to the notes and the indenture.

We will deliver notice of any redemption at least 30 days but not more than 60 days before the redemption date to each registered holder of the applicable series of notes to be redeemed. Once notice of redemption is delivered, the applicable series of notes called for redemption will become due and payable on the redemption date and at the applicable redemption price, plus accrued and unpaid interest to the redemption date.

Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Comparable Treasury Issue means the United States Treasury security selected by the Reference Treasury Dealer as having a maturity comparable to the remaining term of the applicable series of notes to be redeemed (assuming, solely with respect to the 2028 notes, for this purpose that the 2028 notes matured on the Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes.

Comparable Treasury Price means, with respect to any redemption date, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) we obtain fewer than five such Reference Treasury Dealer Quotations, the average of all such Quotations, or (C) if only one Reference Treasury Dealer Quotation is received, such Quotation.

Reference Treasury Dealer means each of (A) Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC and Wells Fargo Securities, LLC (or their respective affiliates which are Primary Treasury Dealers), and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in the United States (a Primary Treasury Dealer), we will substitute therefor another Primary Treasury Dealer; and (B) any other Primary Treasury Dealer selected by us.

Reference Treasury Dealer Quotation means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third business day preceding such redemption date.

On and after the redemption date, interest will cease to accrue on the notes or any portion of the notes called for redemption (unless we default in the payment of the redemption price and accrued interest). On or before the redemption date, we will deposit with a paying agent or the trustee money sufficient to pay the redemption price of and accrued interest on the notes to be redeemed on that date. If less than all of the securities of any series are

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to be redeemed, the securities to be redeemed shall be selected by lot or in accordance with applicable DTC procedures. The notes will not be entitled to the benefit of any mandatory redemption or sinking fund.