



Kellogg Company  
One Kellogg Square  
Battle Creek, Michigan 49016-3599

**Prospectus for the employees of the European Economic Area (“EEA”) (direct or indirect) subsidiaries of Kellogg Company in relation to equity incentive plans relating to Kellogg Company shares**

**Pursuant to Article 23 of the Law of June 16, 2006 on the public offerings of securities and the admission to trading of securities on a regulated market, the Belgian Financial Services and Markets Authority has approved this prospectus on March 26, 2013. This prospectus was established by the issuer and the issuer is responsible for this prospectus. The prospectus has been approved in connection with the operations proposed to the investors. The approval represents neither an assessment of the transaction’s opportunity or quality nor the authentication of the financial and accounting information presented or more generally the issuer’s position, by the Belgian Financial Services and Markets Authority.**

This prospectus will be made available to the respective employees of the (direct or indirect) subsidiaries of Kellogg Company located in the EEA jurisdictions in which offerings under the respective equity incentive plans are considered public offerings. At the time of approval of this prospectus, these jurisdictions are Belgium, Ireland, and the United Kingdom. This prospectus will be made available on the intranet of Kellogg Company and free paper copies will be available to the employees upon request by contacting the Human Resources Departments of their employers. For participants to the Belgian Plan, this prospectus will also be made available on the respective plan website at Computershare, the current stock plan administrator of the Belgian Plan. For participants to the UK Plan and for participants to the Irish Plan, this prospectus will also be made available on the respective plan website at Capita, the current stock plan administrator of both the UK Plan and the Irish Plan.

When participating in the equity incentive plans of Kellogg Company, certain risk factors must be taken into account. With respect to these risk factors, reference is made to page 23 and following of this prospectus.

Participation in these plans is subject to the same risks as inherent to any investment in shares (such as a change of the stock exchange price of the shares).

## **Note to the prospectus**

This prospectus was established in accordance with the principles laid down in the Belgian Law of June 16, 2006 on the public offerings of securities and the admission to trading of securities on a regulated market, in Directive 2003/71/EC of November 4, 2003, as amended, and in the Commission Regulation 809/2004 of April 29, 2004, as amended.

This prospectus contains, among other things, a summary conveying the essential characteristics of, and risks associated with, the issuer and the offered securities. More detailed information concerning the issuer and the securities to be offered is reflected in the exhibits attached to this prospectus. The documents referred to in the relevant chapters are attached as annexes to this prospectus.

## **Company responsible for the prospectus**

The responsibility for this prospectus is assumed by Kellogg Company, a company incorporated and existing under the laws of the State of Delaware, U.S.A., with its principal executive offices at One Kellogg Square, Battle Creek, Michigan 49016-3599, U.S.A., represented by its Board of Directors. Kellogg Company ensures, having taken all reasonable care, that the information contained in this prospectus is, to the best of its knowledge, in accordance with the facts and that the prospectus does not contain omissions likely to affect the import of this prospectus.

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## LIST OF EXHIBITS

- EXHIBIT I**      **KELLOGG COMPANY SUB-PLAN TO THE 2009 LONG-TERM INCENTIVE PLAN FOR PARTICIPANTS IN BELGIUM, AND THE KELLOGG COMPANY 2009 LONG-TERM INCENTIVE PLAN**
- EXHIBIT II**      **KELLOGG UK SHARE INCENTIVE PLAN**
- EXHIBIT III**     **KELLOGG (IRELAND) EMPLOYEE SHARE OWNERSHIP PLAN**
- EXHIBIT IV**     **ANNUAL REPORT ON FORM 10-K**  
FILED BY KELLOGG COMPANY ON FEBRUARY 26, 2013
- EXHIBIT V**      **DEFINITIVE PROXY STATEMENT ON FORM DEF 14A**  
FILED BY KELLOGG COMPANY ON MARCH 11, 2013
- EXHIBIT VI**     **TAX AND SOCIAL SECURITY CONSEQUENCES OF PARTICIPATION IN THE KELLOGG COMPANY SUB-PLAN TO THE 2009 LONG-TERM INCENTIVE PLAN FOR PARTICIPANTS IN BELGIUM, THE KELLOGG UK SHARE INCENTIVE PLAN FOR PARTICIPANTS IN THE UK AND THE KELLOGG (IRELAND) EMPLOYEE SHARE OWNERSHIP PLAN FOR PARTICIPANTS IN IRELAND.**

## **I. Summary**

### *Preliminary remark*

The issuer warns the reader that:

- this summary should be read as an introduction to the prospectus;
- any decision to invest in the securities should be based on a consideration of the prospectus as a whole by the investor;
- where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and
- civil liability attaches to those persons who have tabled the summary including any translation thereof, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus.

## **A. Information concerning the offer**

### ***A.1. Description of the offer***

#### *General information*

Kellogg Company (the “Company” or “Kellogg”), a Delaware corporation, with its principle executive offices at One Kellogg Square, Battle Creek, Michigan 49016-3599, United States of America (or, as the case may be, one of its subsidiaries), is providing eligible employees of certain of its (direct or indirect) subsidiaries in Europe the opportunity to acquire shares of the Company’s common stock having a par value of US\$0.25 per share (“Shares”) under the following equity incentive plans:

- The Kellogg Company Sub-Plan to the 2009 Long-Term Incentive Plan for Participants in Belgium (the “Belgian Plan”);
- The Kellogg UK Share Incentive Plan (the “UK Plan”); and
- The Kellogg (Ireland) Employee Share Ownership Plan (the “Irish Plan”).

The Company’s Shares are listed on the New York Stock Exchange (the “NYSE”) under the ticker symbol “K”.

The main features of the Belgian Plan, the UK Plan, and the Irish Plan (together: the “Plans”) are described hereafter. The following description is only a summary. The awards are consequently subject to the actual terms and conditions of the Belgian Plan, the UK Plan, and the Irish Plan, the full text of which is enclosed in Exhibits I, II, and III respectively.

#### **Belgian Plan**

##### *Background and Purpose*

The Belgian Plan was authorized by the Compensation Committee of Kellogg on October 25, 2012, and is a sub-plan of the 2009 Long Term Incentive Plan (the “LTIP”), which was adopted by the Company’s Board of Directors on February 20, 2009 and was approved by the Company’s shareholders on April 24, 2009. The purpose of the Belgian Plan is to provide an opportunity for the eligible employees of certain of the Company’s Belgian subsidiaries and affiliates to purchase Shares through payroll deductions and thereby have an additional incentive to contribute to the Company’s success. The aggregate number of Shares that may be issued and sold under the LTIP is 27,000,000, subject to proportionate adjustment in the event of stock splits and similar events.

##### *Administration*

The LTIP and the Belgian Plan is administered by the Company’s Compensation Committee (the “Committee”). The Committee is authorized to construe and interpret the Belgian Plan and to promulgate, amend and rescind rules and regulations relating to the implementation, administration and maintenance of the Belgian Plan. Subject to the terms and conditions of the Belgian Plan, the

Committee shall make all determinations necessary or advisable for the implementation, administration and maintenance of the Belgian Plan including, without limitation, (a) selecting the Belgian Plan's Participants, (b) making Awards in such amounts and form as the Committee shall determine, (c) imposing such restrictions, terms and conditions upon such Awards as the Committee shall deem appropriate, and (d) correcting any technical defect(s) or technical omission(s), or reconciling any technical inconsistency(ies), in the Belgian Plan and/or any Award Agreement. Computershare Shareowner Services ("Computershare") is currently the stock plan administrator for the Belgian Plan.

#### *Eligibility of Employees*

Any individual who is an active permanent employee of Wimble Manufacturing Belgium BVBA, and any other (direct or indirect) subsidiary of the Company in Belgium that may be designated by the Committee as participating in the Belgian Plan (each a "Participating Company"), and who has been employed by a Participating Company for a period of at least six months, on or after April 1, 2013 (an "Eligible Employee") is eligible to participate in the Belgian Plan.

#### *Offering Periods and Payroll Deductions*

There will be monthly "Offering Periods" for the purchase of Shares under the Belgian Plan. The first business day of each Offering Period is an "Offering Date" and the last day of an Offering Period, or if this is not a business day, the first following business day, is an "Acquisition Date". The first Offering Period for the Eligible Employees in Belgium begins on April 19, 2013 and ends on May 18, 2013. Subsequent Offering Periods run consecutively following the expiration of the preceding Offering Period.

An Eligible Employee may become a participant in the Belgian Plan ("Belgian Plan Participant") as of an Offering Date by accepting the terms of an enrollment agreement on the form provided by the Company (which may be in written or electronic form, as prescribed by the Company) at such times and in accordance with such procedures as may be established by the Committee for the Offering Period commencing with that Offering Date. The enrollment agreement shall set forth the percentage of the Belgian Plan Participant's "Base Pay" (i.e. the Eligible Employee's actual annual gross pay (including thirteenth month and holiday pay, but excluding other forms of remuneration and benefits (such as severance benefits, redundancy pay, termination indemnities and other post-employment benefits, as well as shift differentials, overtime, bonuses and income from other equity awards)), divided by 12) to be paid as contributions pursuant to the Belgian Plan (or shall otherwise provide for the Belgian Plan Participant to elect such percentage).

The Belgian Plan Participant shall elect to have payroll deductions made on each payday during the Offering Period in an amount not less than one percent (1%) and not more than five percent (5%) of such Belgian Plan Participant's Base Pay on each monthly payday (determined by the Participating Company), or such other maximum percentage as the Committee may establish from time to time before an Offering Date.

All payroll deductions or other payments made by the Belgian Plan Participant shall be credited to his or her "Cash Account" (i.e. an account established and maintained by the Company or a brokerage or other financial services firm designated by the Company for each Belgian Plan Participant for the purpose of holding contributions made during an Offering Period until the Acquisition Date) under

the Belgian Plan. The Belgian Plan Participant may not make any additional payments into such Cash Account.

A Belgian Plan Participant may withdraw all but not less than all the contributions credited to his or her Cash Account, by giving notice of withdrawal from the Belgian Plan in accordance with the withdrawal procedures established by the Committee. All of the Belgian Plan Participant's contributions credited to his or her Cash Account will be paid to him or her promptly after receipt of his or her notice of withdrawal and his or her participation in the Belgian Plan will be automatically terminated, and no further contributions may be made by the Belgian Plan Participant with respect to that Offering Period. If the Belgian Plan Participant wishes to participate in a succeeding Offering Period, he or she will need to re-enroll in the Belgian Plan

#### *Grant of Restricted Shares*

On each Acquisition Date, each Belgian Plan Participant shall be granted Shares subject to a restriction period as described hereunder ("Restricted Shares") under the Plan in consideration of paying the contributions to the Company. The number of Restricted Shares granted on each Acquisition Date shall be determined by dividing such Belgian Plan Participant's contributions accumulated during the Offering Period and retained in the Cash Account as of the Acquisition Date by the fair market value of a Share on the Acquisition Date (the "Base Number") and multiplying the Base Number by 1.5. If the result is not a whole number, fractional Restricted Shares will be granted.

The Restricted Shares shall be subject to a restriction period of two years from the Acquisition Date, or such other period of time as determined by the Committee (the "Belgian Plan Restriction Period"). During the Belgian Plan Restriction Period, the Belgian Plan Participant has all of the legal rights of a shareholder of the Company, but may not sell, transfer or otherwise dispose of the Restricted Shares. The Company may require that Restricted Shares acquired under the Belgian Plan be held in a stock account established in the name of the Belgian Plan Participant, subject to such rules as determined by the Committee, including designation of a brokerage or other financial services firm to hold such Restricted Shares. After the lapse of the Belgian Plan Restriction Period, the Belgian Plan Participant may freely sell, transfer or otherwise dispose of the Shares and is no longer required to hold the Shares in the stock account.

#### *Dividends*

All dividends paid out to a Belgian Plan Participant on Shares held under the Belgian Plan with Computershare will by default be used to acquire additional Shares. Shares so acquired will not be subject to the Belgian Plan Restriction Period applicable to Restricted Shares.

A Belgian Plan Participant can, however, elect to have the dividends mentioned in the above paragraph paid out in cash, in which case he will receive said dividends by cheque.

#### *Termination of Employment*

Upon Termination of Service (i.e. the first date a Belgian Plan Participant no longer actively performs active employment with a Participating Company) prior to the Acquisition Date for any reason, including retirement, disability or death, the contributions credited to a Sub-Plan Participant's Cash Account will be promptly returned to him or her or his or her legal representatives or heirs, his or her participation will be automatically terminated, and no further contributions may be made by the

Belgian Plan Participant with respect to that Offering Period. If a Participating Company ceases to be a Participating Company, each person employed by that Participating Company will be deemed to have a Termination of Service for purposes of the Belgian Plan.

#### *Corporate Transactions*

In the event of the proposed dissolution or liquidation of the Company, any Offering Period then in progress will terminate immediately prior to the consummation of such proposed action, unless otherwise provided by the Committee. If a Belgian Plan Participant's participation in the Belgian Plan is terminated pursuant to the preceding sentence, the contributions then credited to such Belgian Plan Participant's Cash Account will be paid to him or her in cash without interest. In the event of a change in control as defined in Section 14 of the LTIP, unless otherwise determined by the Committee, the Belgian Plan shall be assumed or substituted by the successor corporation or a parent or subsidiary of such successor corporation, or, if not so assumed or substituted, the Offering Period then in progress shall be shortened and the Board shall set a new Acquisition Date (the "New Acquisition Date"). The New Acquisition Date shall be on or before the date of consummation of the transaction and the Committee shall notify each Belgian Plan Participant in writing, at least ten (10) days prior to the New Acquisition Date, that the Acquisition Date has been changed to the New Acquisition Date, unless prior to such date he or she has withdrawn from the Offering Period.

The holding period restriction applicable to the Restricted Shares shall lapse in the event of a change in control as defined in Section 14 of the LTIP.

#### *Amendment or Termination*

The Committee may at any time and for any reason terminate or amend the Belgian Plan.

Without regard to whether any Belgian Plan Participant's rights may be considered to have been adversely affected, the Committee shall be entitled to change the Offering Periods, establish the exchange ratio applicable to contributions made in a currency other than U.S. dollars, permit payroll deductions in excess of the rate designated by a Belgian Plan Participant in order to adjust for delays or mistakes in the Company's processing of properly completed contribution elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that contributions made under the Belgian Plan properly correspond with deductions made from the Belgian Plan Participant's Base Pay, and establish such other limitations or procedures as the Committee determines in its sole discretion advisable which are consistent with the Belgian Plan.

#### *Transferability*

Neither the contributions credited to a Belgian Plan Participant's Cash Account nor any rights with regard to the Restricted Shares that may be granted under the Belgian Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution) by the Belgian Plan Participant. Any such attempt at assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw funds in accordance with the rules on withdrawal from the Belgian Plan.

### *Term of the Belgian Plan*

The Belgian Plan shall continue in effect until the earlier of its termination by the Company's Board of Directors or the date on which all of the Shares available for issuance under the LTIP have been issued.

## **UK Plan**

### *Background and Purpose*

The UK Plan is an all-employee share plan that provides employees (if participating in the UK Plan, a "UK Plan Participant") of participating companies with the opportunity to acquire Shares.

The purpose of the UK Plan is to provide an opportunity for the eligible employees of certain of the Company's UK subsidiaries to acquire Shares. UK Plan Participants thereby have an additional incentive to contribute to the Company's success.

The UK Plan has been formally approved by HM Revenue & Customs under Part 10 of Schedule 2 of the Income Tax (Earnings and Pensions) Act 2003.

Any company which is incorporated in the UK and is controlled by the Company may participate in the UK Plan. The following companies currently participate:

Kellogg UK Holding Company Limited (Company Number 3216332)

Kellogg Company of Great Britain Limited (Company Number 199171)

Kellogg Supply Services (Europe) Limited (Company Number 3233413)

Kellogg Marketing and Sales Company (UK) Limited (Company Number 3237431)

Kellogg Management Services (Europe) Limited (Company Number 3233144)

Portable Foods Manufacturing Company Limited (Company Number 3533251)

### *Administration*

In accordance with the relevant UK legislation the UK Plan is constituted under a trust deed executed in England and Wales. The trust document specifies the primary duties of the trustees and the Company, the more detailed operation of the UK Plan is set out in the scheme rules contained in a schedule to this trust deed.

The trustee and administrator of the UK Plan is a professional trust and administration provider, Capita IRG Trustees Limited.

The trustee, and the "UK Plan Manager" (a duly authorised officer or officers of a participating company) are responsible for the operation of the UK Plan. Subject to the provisions of the UK Plan and the provisions set out in the relevant UK tax legislation governing such plans, the trustee and the UK Plan Manager shall make all determinations necessary or advisable for the implementation, administration and maintenance of the UK Plan including, without limitation, (a) determining

eligibility for the UK Plan, (b) appropriating Shares to UK Plan Participants and (c) subject to prior approval of HM Revenue & Customs, correcting any technical defect(s) or technical omission(s), or reconciling any technical inconsistency(ies), in the UK Plan and/or any award made thereunder.

#### *Different Types of Share Awards*

Under the UK Plan there are potentially four types of share awards, although in each instance the shares in question are Shares:

- Free Shares.
- Purchased Shares.
- Matching Shares.
- Dividend Shares.

These Shares are acquired outright but are held on the UK Plan Participant's behalf in a trust (the "UK Plan Trust").

The relevant holding periods, and restrictions on transfer applying to the Shares, will depend on the type of share award as set out below.

#### *Free Shares*

The UK Plan can make an award of up to £3,000 worth of Shares ("Free Shares") to each UK Plan Participant in a tax year. This allocation may be subject to performance targets.

UK Plan Participants cannot immediately sell their Free Shares.

UK Plan Participants are required to hold the Free Shares in the UK Plan Trust for a holding period specified by the Company at the time of acquisition. This holding period will be between three and five years.

#### *Purchased Shares*

Under the UK Plan, UK Plan Participants may be invited to buy Shares out of their pre-tax income (by deduction from salary via the payroll system) up to a limit of £125 per month or 10% of salary, if lower ("Purchased Shares").

Shares can be purchased either shortly after a salary deduction, or deductions can be accumulated by the UK Plan Trust for a period (of up to 12 months) with the Shares being bought shortly after the end of this accumulation period.

A UK Plan Participant may withdraw their Purchased Shares from the UK Plan Trust at any time (though this may have adverse tax consequences).

#### *Matching Shares*

"Matching Shares" are additional Shares that the company may choose to award to UK Plan Participants who acquire Purchased Shares. The maximum matching ratio which can be awarded under the UK Plan is two Matching Shares for every one Purchased Share bought but it can be less.

Matching Shares have a holding period of three to five years (this period is specified at the date of acquisition).

#### *Dividend Shares*

The UK Plan can specify that dividends paid on an employee's UK Plan Shares may either be passed straight on to the employee or reinvested in the UK Plan. Reinvestment may be compulsory or the Company may permit UK Plan Participants to choose whether or not they wish to reinvest the dividends.

If dividends are reinvested, Shares are bought with the dividend payment ("Dividend Shares") and these are subject to a holding period within the UK Plan Trust of three years.

#### *Eligibility of Employees*

Any individual who is an employee of a participating company on the relevant qualifying date (this depends on the type of share award, but broadly means at the date of acquisition of the Shares in question, or through-out the Accumulation Period, if there is one, with regards the Purchased or Matching Shares) and is subject to UK income tax on his/her employment is eligible to participate in the UK Plan.

#### *Dividends*

Dividends paid in respect of Plan Shares can, at the discretion of the Directors of the Company, either be used to acquire Dividend Shares, or UK Plan Participants may be given the choice to either receive the cash dividend payment or acquire Dividend Shares. Where a cash dividend is taken it must be paid over to UK Plan Participants as soon as practicable.

#### *Termination of Employment*

On cessation of employment the UK Plan Manager has to notify the trustees of the position as soon as reasonably practicable.

The consequences of the termination of employment depend upon the nature of the share award.

Matching Shares will be forfeited if the employee leaves (other than in specified "good leaver" circumstances) within up to three years of the award being made.

Purchased Shares are not subject to forfeiture in the event that the UK Plan Participant ceases to be employed by the company. Any Purchased Shares that are not forfeited must be withdrawn from the UK Plan Trust.

Any Matching Shares that are not forfeited upon a UK Plan Participant leaving employment must be withdrawn from the UK Plan Trust.

If the UK Plan Participant leaves employment, Dividend Shares must be withdrawn from the UK Plan Trust.

If the UK Plan Participant ceases to be employed (other than in specified circumstances) within a period of up to three years of the date of the award of Free Shares the UK Plan Participants rights to the Free Shares are forfeited. Any Free Shares that are not forfeited must be withdrawn from the UK Plan Trust.

#### *Corporate Transactions*

In the event of a corporate transaction affecting the Shares held in trust, UK Plan Participants will generally be treated the same as all shareholders. Depending on the nature of the transaction, there may be UK tax implications for UK Plan Participants.

#### *Amendment or Termination*

The Company may at any time and for any reason suspend or terminate the making of offers under the UK Plan.

The Company and the trustee may vary or amend the provisions of the UK Plan at any time provided such variation, amendment or revocation does not disadvantage the rights of UK Plan Participants which have accrued under the UK Plan and no such variation, amendment or revocation is effective until approved by HM Revenue & Customs.

### **Irish Plan**

#### *Background and Purpose*

The Irish Plan was adopted by a subsidiary of Kellogg, Kellogg Lux 1 S.a.r.l. (a company registered in Luxembourg whose registered office is at 560A, Rue de Neudorf, L-2220, Luxembourg and registered under number B 103 831) on 12 December 2010. The adoption of the Irish Plan by this entity was to facilitate the consolidation of two equity incentive plans that had previously been approved by the Irish Revenue Commissioners and had operated in Ireland for a number of years for the benefit of employees of various Irish subsidiaries, and such consolidation necessitated the establishment of the Irish Plan by a company that had control over all of the relevant Irish subsidiaries in order to meet the requirements of Irish tax legislation.

The purpose of the Irish Plan is to provide an opportunity for the eligible employees of certain of the Company's Irish subsidiaries and affiliates to purchase Shares at market value via payroll deductions from after-tax earnings in order to receive a matching number of "free" Shares that are exempt from income tax, subject to certain conditions. Participants thereby have an additional incentive to contribute to the Company's success. Both the purchased and free allocations are satisfied by way of market purchases of Shares, on a monthly basis, with the relevant employer companies providing the funds for the matching element.

#### *Administration*

The Irish Plan is constituted under an Irish trust deed, as the tax legislation and Irish Revenue practice requires that the purchased and matching Shares are held in an Irish trust for specified minimum periods in order to qualify for favourable tax treatment. The trustee and administrator of the Irish Plan is a professional trust and administration provider, Capita Corporate Trustees Limited. The trustee, with the consent of Kellogg Lux 1 S.a.r.l. and the Irish Revenue Commissioners, is authorized to construe and interpret the Irish Plan, and make amendments from time to time, subject to the provisions therein and the provisions set out in the relevant Irish tax legislation governing such plans. Subject to the terms and conditions of the Irish Plan and applicable Irish tax legislation, the trustee together with Kellogg Lux 1 S.a.r.l. shall make all determinations necessary or advisable for the implementation, administration and maintenance of the Irish Plan including, without limitation, (a) determining eligibility for the Irish Plan, (b) appropriating Shares to Participants and (c) subject to prior approval of Irish Revenue, correcting any technical defect(s) or technical omission(s), or reconciling any technical inconsistency(ies), in the Irish Plan and/or any award made thereunder.

#### *Eligibility of Employees*

Any individual who is an employee of a participating company (being one of the Irish subsidiaries of Kellogg that has been nominated as such by Kellogg Lux 1 S.a.r.l.) on the relevant qualifying date (being not more than 3 months before the beginning of a plan period) and is subject to Irish income tax on his/her employment is eligible to participate in the Irish Plan. The participating companies are currently as follows:

- Kellogg Company of Ireland Limited (registered in Ireland under no. 49450)
- Kellogg Europe Trading Limited (registered in Ireland under no. 387390)
- Kellogg Europe Treasury Services Limited (registered in Ireland under no. 435553)
- Kellogg European Logistics Services Company Limited (registered in Ireland under no. 513281).

#### *Offering Periods and Payroll Deductions*

In respect of each plan period (being a calendar month) for which the Irish Plan is operated, the board of Kellogg Lux 1 S.a.r.l. invites eligible employees to elect to make contributions via payroll to enable the trustee to acquire Shares. Kellogg Lux 1 S.a.r.l. has determined that under the Irish Plan, the maximum value of such contributions is 3.5% of eligible earnings net of tax and the minimum contribution per plan period is EUR 10 (which are within Irish Revenue guidelines). The relevant participating company, being the employer of such eligible employee, provides such sum to the trustee to enable the trustee to purchase the same amount of Shares as the employee contribution will purchase for that plan period. Under Irish tax legislation and Revenue practice, the maximum value of Shares that can be purchased by an employee from his/her own resources in each tax year is 7.5% of gross basic salary, and the maximum value of Shares that can be appropriated free of income tax (i.e. the matching award) to a participant in any tax year is EUR 12,700.

An eligible employee may become a participant in the Irish Plan by completing a contract of participation that will continue to govern his participation on an ongoing basis until such time as the employee ceases to be eligible or withdraws from the Irish Plan. The participant can vary his contribution in subsequent plan periods subject to the limits in the Irish Plan and applicable Irish tax legislation.

### *Holding Period and Restrictions on Transfer*

The Shares purchased with employee contributions must be held in trust for a minimum period of two years. The matching Shares must also be held in trust for at least two years from the date of appropriation, but must be left in trust for a total of three years in order to qualify for the maximum income tax relief. There are limited exceptions to these holding periods, where employment ceases due to injury, disability, redundancy, retirement or death, or if the participant has reached Irish state pension age (currently 66 years).

During the period the Shares are held in trust the participant has all the beneficial rights attaching to the Shares but the legal ownership is with the trustee. The trustee must deal with the Shares on the terms set out in the trust deed and rules of the Irish Plan. After two years the participant is free to dispose of the Shares but if he/she disposes of any matching award prior to the 3<sup>rd</sup> anniversary there will generally be a claw back of income tax.

### *Dividends*

All dividends paid out on Shares held in the trust for participants of the Irish Plan are paid out in cash to participants no later than the last day of the tax year in which they are received by the trustee.

### *Termination of Employment*

On cessation of employment any Shares already appropriated to a participant remain the property of such participant. He/she can leave the Shares in trust for the remainder of the holding periods outlined above and continue to avail of the maximum income tax relief. If the participant disposes of matching Shares prior to the third anniversary of the date of appropriation he/she will be subject to a claw back of income tax on 100% of the value of the Shares at the date they were allocated (or if less, the proceeds of the disposal of such Shares). If cessation of employment is due to injury, disability, redundancy or retirement all Shares can be disposed of immediately but there is a claw back of income tax on 50% of the value of the matching award at the date it was received (or if less, the proceeds of the disposal of such Shares). In the event of the death of a participant no income tax claw back applies.

### *Corporate Transactions*

In the event of a corporate transaction affecting the Shares held in trust, participants will generally be treated the same as all shareholders. Depending on the nature of the transaction, there may be Irish tax implications for participants.

### *Amendment or Termination*

The board of Kellogg Lux 1 S.a.r.l. may at any time and for any reason suspend or terminate the making of offers under the Irish Plan. Kellogg Lux 1 S.a.r.l. and the trustee may vary or amend the provisions of the Irish Plan at any time provided such variation, amendment or revocation does not affect the beneficial interest of participants in Shares already appropriated and no such variation, amendment or revocation is effective until approved in writing in advance by the Irish Revenue Commissioners.

### *Term of the Irish Plan*

The Irish Plan shall continue in effect until the date on which the board of Kellogg Lux 1 S.a.r.l. and the trustee may by deed declare to be the termination date, but this may not be earlier than three years from the last preceding appropriation date.

### ***A.2 Use of proceeds***

The proceeds, if any, of the offers under the Plans will be used by the Company for general corporate purposes.

### ***A.3 Costs related to the sale of Shares***

#### **Belgian Plan**

If a participant seeks to sell Shares acquired under the Belgian Plan, he/she will be charged a trading fee of US\$ 0.03 per share, with a minimum of US\$ 29.95 for transactions ordered through the Computershare website or interactive telephone system, and a minimum of US\$ 49.95 for transactions ordered through Computershare representatives, plus a fee payable to the U.S. Securities and Exchange Commission (“SEC”) equal to US\$ 22.40 per million dollars.

If proceeds are transferred to the participant by cheque in US\$, no extra fee is charged. A US\$ 25.00 fee will be charged if the cheque is delivered in another currency than US\$. A US\$ 25.00 fee is charged if the cheque needs to be delivered within a day.

If proceeds are transferred to the participant through wire transfer, a US\$ 35.00 fee will be charged.

If shares are delivered to the employee, a US\$ 50.00 fee will be charged.

Please note that Computershare and the Company reserve the right to change the fees at any time.

More information on real-time trading and limit orders, can be obtained by contacting Computershare at 001 732-645-4171.

#### **UK Plan**

If a participant seeks to sell Shares acquired under the UK Plan, no costs will have to be borne by such participant.

#### **Irish Plan**

If a participant seeks to sell Shares acquired under the Irish Plan, he/she will be responsible for the costs, such as broker and administration costs, associated with that sale. Actual costs will vary depending on whether the participant takes part in a group sale with other participants, and will also depend on the value of the entire amount of Shares being sold. At the date of this prospectus, costs for an individual sale will be 1% of proceeds, plus a EUR 27 administration fee. The Irish broker (Davy stockbrokers) and the administrator of the Irish Plan (Capita) reserve the right to change the fees at any time.

## **B. General Information concerning Kellogg Company**

### ***B.1 Company history and activities***

Kellogg Company was formed when production of Kellogg's Corn Flakes® began at W.K. Kellogg's newly formed Battle Creek Toasted Corn Flakes Company in 1906.

W.K. Kellogg began worldwide expansion of the company in 1914. By 1938, Kellogg had built plants in England and Australia. After W.K. Kellogg's death in 1951, Kellogg continued to expand its operations, building plants in Latin America and Asia.

Kellogg has established itself as an industry leader with health-conscious, innovative breakfast choices like *Special K, All Bran and Product 19 cereals*.

Kellogg continued to expand its operations by acquiring the vegetarian-based food group Worthington Foods in 1999 and the organic-based food group Kashi Company in 2000. Kellogg also acquired snack leader Keebler Foods Company in 2001. A multi-year global relationship with Kellogg and Disney was formed in 2002 to introduce several new cereal and snack food products to the market.

In 2012, Kellogg's became the world's second-largest snack food company by acquiring the Pringles potato crisps brand from Procter & Gamble.

The Company currently manages its operations through nine operating segments that are based on product category or geographic location. These operating segments are evaluated for similarity with regards to economic characteristics, products, production processes, types or classes of customers, distribution methods and regulatory environments to determine if they can be aggregated into reportable segments.

The reportable segments are discussed in greater detail below:

U.S. Morning Foods and Kashi aggregates the U.S. Morning Foods and U.S. Kashi operating segments. The U.S. Morning Foods operating segment includes cereal, toaster pastries, and health and wellness business generally marketed under the Kellogg's name. The U.S. Kashi operating segment represents Kashi branded cereal, cereal bars, crackers, cookies and Stretch Island fruit snacks.

U.S. Snacks represents the U.S. snacks business which includes products such as cookies, crackers, cereal bars, savory snacks and fruit-flavored snacks.

U.S. Specialty primarily represents the food service and Girl Scouts business. The food service business is mostly non-commercial, serving institutions such as schools and hospitals.

North America Other represents the U.S. Frozen and Canada operating segments. As these operating segments are not considered economically similar enough to aggregate with other operating segments and are immaterial for separate disclosure, they have been grouped together as a single reportable segment.

The three remaining reportable segments are based on geographic location – Europe which consists principally of European countries; Latin America which is comprised of Central and South America

and includes Mexico; and Asia Pacific which is comprised of South Africa, Australia and other Asian and Pacific markets.

***B.2 Particular provisions of the bylaws***

The Company's annual meeting of shareholders is held for the purpose of electing directors and conducting other business as may properly come before the meeting and is held each year. The last annual shareholders' meeting was held on April 20, 2012.

***B.3 Board of Directors (as per February 26, 2013)***

<i>Name</i>	<i>Age</i>
Jim Jenness	66
John Bryant	47
Benjamin Carson	61
John Dillon	74
Gordon Gund	73
Dorothy A. Johnson	72
Ann McLaughlin Korologos	71
Don Knauss	62
Mary A. Laschinger	52
Cynthia H. Milligan	66
Rogelio Rebolledo	68
Sterling Speirn	65
John Zabriskie	73

***B.4 Executive Committee and Other Executive Officers (as per February 26, 2013)***

<i>Name</i>	<i>Function</i>
Jim Jenness	Chairman of the Board
John Bryant	President and Chief Executive Officer
Amit Banati	President, Asia Pacific
Margaret Bath	Senior Vice President, Research, Quality and Technology
Mark Baynes	Senior Vice President, Global Chief Marketing Officer
Kris Charles	Vice President Global Communications and Philanthropy
Brad Davidson	Senior Vice President, President Kellogg North America
Ron Dissinger	Chief Financial Officer
Alistair Hirst	Senior Vice President, Global Supply Chain
Sammie Long	Senior Vice President, Global Human Resources

Maria Fernanda Mejia	President Kellogg Latin America
Brigitte Schmidt Gwyn	Vice President Government Relations
Paul Norman	Senior Vice President; President, Kellogg International
Gary Pilnick	Senior Vice President, General Counsel, Corporate Development and Secretary
Brian S. Rice	Senior Vice President, Chief Information Officer

To the extent that such activity is required to be disclosed in Exhibits IV or V, for at least the previous five years, none of the directors or executive officers of the Company has:

- (a) been convicted in relation to fraudulent offences;
- (b) been associated with any bankruptcies, receiverships or liquidations when acting in their capacity as directors or executive officers of the Company; or
- (c) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

There are no family relationships between any of the directors and the executive officers listed above.

As indicated in the Company's Annual Report on Form 10-K (Exhibit IV), the Company has adopted guidelines regarding corporate governance, including a Code of Conduct, the full text of which is available on the Company's website, at <http://investor.kelloggs.com/investor-relations/corporate-governance/board-of-directors/code-of-conduct/default.aspx>.

## **C. Financial Information concerning Kellogg Company**

### ***C.1 Statutory auditors***

The statutory auditors of the Company over the fiscal years ended on January 1, 2011, ended on December 31, 2011 and ended on December 29, 2012 were PricewaterhouseCoopers LLP, 1900 Saint Antoine Street, Detroit, Michigan 48226. The accounts for such years, prepared in accordance with the U.S. GAAP, were audited, and the audit reports contained no qualification.

### ***C.2 Share capital***

The aggregate market value of the common stock held by non-affiliates of the registrant (assuming for purposes of this computation only that the W. K. Kellogg Foundation Trust, directors and executive officers may be affiliates) as of the close of business on June 30, 2012 was approximately \$13.7 billion based on the closing price of \$49.33 for one share of common stock, as reported for the New York Stock Exchange on that date.

As of January 26, 2013, 361,890,602 shares of the common stock of the registrant were issued and outstanding.

There are no shareholders in the Company that, directly or indirectly, singly or jointly, exercise or are capable of exercising control over the Company.

Based on filings made under Section 13(d) and 13(g) of the Exchange Act, as of December 31, 2011, the only persons known by the Company to be beneficial owners of more than 5% of its common stock were:

- (i) W.K.Kellogg Foundation Trust, c/o The Bank of New York Corporation, One Wall Street, New York, NY 10286, being the beneficial owner of 21.9% of the Company's common stock;
- (ii) KeyCorp, 127 Public Square, Cleveland, OH 44114-1306, being the beneficial owner of 7.6% of the Company's common stock;
- (iii) George Gund III, 39 Mesa Street Suite 300, San Francisco, CA 94129, being the beneficial owner of 7.5% of the Company's common stock.

For the fiscal year ended on December 29, 2012, no third parties have attempted a public takeover bid on the Company, by purchase or exchange of Shares of the Company.

### *C.3 Key financial data*

#### Consolidated Statement of Income

(millions, except per share data)	2012	2011	2010
<b>Net sales</b>	<b>\$ 14,197</b>	<b>\$ 13,198</b>	<b>\$ 12,397</b>
Cost of goods sold	8,763	8,046	7,055
Selling, general and administrative expense	3,872	3,725	3,305
<b>Operating profit</b>	<b>\$ 1,562</b>	<b>\$ 1,427</b>	<b>\$ 2,037</b>
Interest expense	261	233	248
Other income (expense), net	24	(10)	1
<b>Income before income taxes</b>	<b>1,325</b>	<b>1,184</b>	<b>1,790</b>
Income taxes	363	320	510
Earnings (loss) from joint ventures	(1)	—	—
Net income	\$ 961	\$ 864	\$ 1,280
Net loss attributable to noncontrolling interests	—	(2)	(7)
<b>Net income attributable to Kellogg Company</b>	<b>\$ 961</b>	<b>\$ 866</b>	<b>\$ 1,287</b>
<b>Per share amounts:</b>			
Basic	\$ 2.68	\$ 2.39	\$ 3.43
Diluted	\$ 2.67	\$ 2.38	\$ 3.40
<b>Dividends per share</b>	<b>\$ 1.740</b>	<b>\$ 1.670</b>	<b>\$ 1.560</b>

For further detail on the consolidated Kellogg Company income, please refer to the Notes to Consolidated Financial Statements on page 36 and following of the Company's Annual Report on Form 10-K for the fiscal year ending on December 29, 2012.

## Consolidated Balance Sheet

(millions, except share data)	2012	2011
<b>Current assets</b>		
Cash and cash equivalents	\$ 281	\$ 460
Accounts receivable, net	1,454	1,188
Inventories	1,365	1,174
Other current assets	280	247
<b>Total current assets</b>	<b>3,380</b>	<b>3,069</b>
<b>Property, net</b>	<b>3,782</b>	<b>3,281</b>
<b>Goodwill</b>	<b>5,053</b>	<b>3,623</b>
<b>Other intangibles, net</b>	<b>2,359</b>	<b>1,454</b>
<b>Other assets</b>	<b>610</b>	<b>516</b>
<b>Total assets</b>	<b>\$ 15,184</b>	<b>\$ 11,943</b>
<b>Current liabilities</b>		
Current maturities of long-term debt	\$ 755	\$ 761
Notes payable	1,065	234
Accounts payable	1,402	1,189
Other current liabilities	1,301	1,129
<b>Total current liabilities</b>	<b>4,523</b>	<b>3,313</b>
<b>Long-term debt</b>	<b>6,082</b>	<b>5,037</b>
<b>Deferred income taxes</b>	<b>523</b>	<b>643</b>
<b>Pension liability</b>	<b>886</b>	<b>560</b>
<b>Other liabilities</b>	<b>690</b>	<b>592</b>
<b>Commitments and contingencies</b>		
<b>Equity</b>		
Common stock, \$.25 par value, 1,000,000,000 shares authorized Issued: 419,718,217 shares in 2012 and 419,484,087 shares in 2011	105	105
Capital in excess of par value	573	522
Retained earnings	5,615	5,305
Treasury stock, at cost 58,452,083 shares in 2012 and 62,182,500 shares in 2011	(2,943)	(3,130)
Accumulated other comprehensive income (loss)	(931)	(1,006)
<b>Total Kellogg Company equity</b>	<b>2,419</b>	<b>1,796</b>
<b>Noncontrolling interests</b>	<b>61</b>	<b>2</b>
<b>Total equity</b>	<b>2,480</b>	<b>1,798</b>
<b>Total liabilities and equity</b>	<b>\$ 15,184</b>	<b>\$ 11,943</b>

For further detail on the consolidated Kellogg Company balance sheet, please refer to the Notes to Consolidated Financial Statements on page 36 and following of the Company's Annual Report on Form 10-K for the fiscal year ending on December 29, 2012.

Quarterly results and annual reports will be published respectively in the Company's Quarterly Reports on Form 10-Q and the Company's Annual Report on Form 10-K, which are available on the Company's website (<http://investor.kelloggs.com>, under the "SEC filings" captions).

Additional information, such as the credit ratings of the Company, can be found in the Company's Annual Report on Form 10-K (Exhibit IV).

The cost of the stock-based compensation for U.S. GAAP accounting purposes is elaborated upon in the Company's Annual Report on Form 10-K (Exhibit IV). In addition, the Company has incurred legal costs of approximately US\$ 46,000 to implement this prospectus in order to offer securities under the Plans to eligible employees of its subsidiaries in the EEA.

#### ***C.4 Risk factors***

The risk factors to be taken into consideration when participating in the Company's Plans consist, on the one hand, of risks related to the participation in the Plans itself, and, on the other hand, risks related to the Company's business.

The risks related to the participation itself in the Plans can be summarized as follows:

- Participation in the Plans is subject to the same risks as inherent to any investment in shares (such as a change of the stock exchange price of the shares).
- Participation in the Plans is subject to a currency risk (e.g., US\$/EUR or US\$/Sterling pound) that could adversely affect the value derived from the participation in the Plans.
- The possible tax and/or social security consequences of the participation in the Plans could adversely affect the value derived from the participation in the Plans.

The risks related to the Company's business, that may affect its future results, can be summarized as follows:

- The Company's results may be materially and adversely impacted as a result of increases in the price of raw materials, including agricultural commodities, fuel and labor.
- The Company's operations face significant foreign currency exchange rate exposure and currency restrictions which could negatively impact the Company's operating results.
- If the Company's food products become adulterated, misbranded or mislabeled, the Company might need to recall those items and may experience product liability if consumers are injured as a result.
- Disruption of the Company's supply chain could have an adverse effect on the Company's business, financial condition and results of operations.
- Evolving tax, environmental, food quality and safety or other regulations or failure to comply with existing licensing, labeling, trade, food quality and safety and other regulations and laws could have a material adverse effect on the Company's consolidated financial condition.

- If the Company pursues strategic acquisitions, divestitures or joint ventures, the Company may not be able to successfully consummate favorable transactions or successfully integrate acquired businesses.
- Tax matters, including changes in tax rates, disagreements with taxing authorities and imposition of new taxes could impact the Company's results of operations and financial condition.
- Concerns with the safety and quality of food products could cause consumers to avoid certain food products or ingredients.
- The Company may not be able to fully realize the anticipated benefits and synergies of the Pringles acquisition or in the expected time frame.
- The Company's consolidated financial results and demand for its products are dependent on the successful development of new products and processes.
- The Company operates in the highly competitive food industry.
- Potential liabilities and costs from litigation could adversely affect the Company's business.
- The Company has a substantial amount of indebtedness.
- The Company's performance is affected by general economic and political conditions and taxation policies.
- The Company may be unable to maintain its profit margins in the face of a consolidating retail environment. In addition, the loss of one of its largest customers could negatively impact its sales and profits.
- An impairment of the carrying value of goodwill or other acquired intangibles could negatively affect the Company's consolidated operating results and net worth.
- The Company's postretirement benefit-related costs and funding requirements could increase as a result of volatility in the financial markets, changes in interest rates and actuarial assumptions.
- Multiemployer Pension Plans could adversely affect the Company's business.
- Economic downturns could limit consumer demand for the Company's products.
- The Company may not achieve its targeted cost savings and efficiencies from cost reduction initiatives.
- Technology failures could disrupt the Company's operations and negatively impact its business.

- The Company's intellectual property rights are valuable, and any inability to protect them could reduce the value of the Company's products and brands.
- The Company's results may be negatively impacted if consumers do not maintain their favorable perception of its brands.

## II. Risk factors

(a) The risk factors to be taken into consideration when participating in the Plans consist, on the one hand, of risks related to the participation of the Plans itself, and, on the other hand, risks related to the Company's business.

The risks related to the participation itself in the Company's Plans can be summarized as follows:

- Participation in the Plans is subject to the same risks as inherent to any investment in shares (such as a change of the stock exchange price of the shares).
- Participation in the Plans is subject to a currency risk (e.g., US\$/EUR or US\$/Sterling pound) that could adversely affect the value derived from the participation in the Plans.
- The possible tax and /or social security consequences of the participation in the Plans could adversely affect the value derived from the participation in the Plans.

(b) Information concerning the risk factors related to the Company's business, that may affect future business or results of the Company, is reported in the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2012 (Exhibit IV).

## III. Information on the offer and dilution resulting therefrom

Information concerning the offer, including offer statistics, the method and expected timetable and admission to trading details, is set forth in the Kellogg Company Sub-Plan to the 2009 Long-Term Incentive Plan for Participants in Belgium (Exhibit I), The Kellogg UK Share Incentive Plan (Exhibit II), The Kellogg (Ireland) Employee Share Ownership Plan (Exhibit III), and in the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2012 (Exhibit IV).

### Maximum Dilution

As of April 1, 2013, the Shares under the Plans are being offered to approximately 2,700 eligible employees of certain EEA subsidiaries of the Company. Taking into account the total eligible compensation of the eligible employees under the Plans and the features of the Plans, a maximum total annual amount of approximately EUR 5,8 million (US\$ 7.7 million) could be contributed in the respective Plans by the respective eligible employees.

The fair market value of a Share on February 22, 2013 was US\$ 60.01. Assuming eligible employees would purchase during each offering period one-twelfth of the total number of Shares they were entitled to purchase during a calendar year at the purchase price applicable on February 22, 2013 (i.e., US\$ 60.01), the eligible employees would together be entitled, taking the rules of the respective Plans into account, to acquire a maximum of 234,000 Shares under the Plans assuming no other Plan limitations are exceeded.

The UK Plan and the Irish Plan do however not result in a dilution, as the Shares purchased under the UK Plan and the Irish Plan are purchased in the market. The Belgian Plan does however result in a certain dilution.

Taking into account the total eligible compensation of the eligible employees under the Belgian Plan and the features of the Belgian Plan, a maximum total annual amount of approximately EUR 2,077,872 (US\$ 2,698,535) could be contributed in the Belgian Plan by the respective eligible employees. Assuming eligible employees under the Belgian Plan would purchase during each offering period one-twelfth of the total number of Shares they were entitled to purchase during a calendar year at the purchase price applicable on February 22, 2013 (i.e., US\$ 60.01), the eligible employees under the Belgian Plan would together be entitled, taking the rules of the Belgian Plan into account, to purchase a maximum of 67,452 Shares under the Belgian Plan on an annual basis (assuming no other Belgian Plan limitations are exceeded). Based on the above assumptions, the holding of a shareholder of the Company currently holding 1% of the total outstanding share capital of the Company as of January 26, 2013 (i.e., 361,890,602 Shares) would be diluted by the Belgian Plan as indicated in the following table:

	Percentage of the total outstanding shares	Total number of outstanding shares
Before the offering	1.00%	361,890,602
After issuance of 67,452 Shares under the Belgian Plan	0.9998%	361,958,054

#### **IV. Key information on the Company's financial condition, capitalization and indebtedness, working capital and risk factors**

Information concerning the Company's financial condition, including selected financial data, information on capitalization and indebtedness and a description of the risk factors is set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2012 (Exhibit IV).

The reasons for the offer and the use of proceeds are described in I.A above.

Information on the Company's capitalization and indebtedness and stockholder's equity is set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2012 (Exhibit IV). For detailed information related to the Company's Capital, please refer to page 33 of the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2012 (Exhibit IV). For detailed information related to the Company's indebtedness, please refer to pages 46-48 of the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2012 (Exhibit IV). For detailed information related to stockholder's equity, please refer to pages 44-45 of the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2012 (Exhibit IV). For detailed information on the Company's working capital, please refer to pages 22-23 of the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2012 (Exhibit IV). For detailed information on the Company's risk factors, please refer to pages 7-12 of the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2012 (Exhibit IV).

## **V. Information on the Company**

Information on the Company, including its history and development, a business overview, its organizational structure and information concerning its property, is set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2012 (Exhibit IV).

## **VI. Operating and financial review and prospects**

Information concerning the Company's operating results, its liquidity and capital resources and trends, among other things, is set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2012 (Exhibit IV).

## **VII. Directors, senior management and employees**

Information concerning the Company's directors and senior management, their remuneration, Board practices, the Company's employees and share ownership is set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2012 (Exhibit IV) and in the Company's Definitive Proxy Statement (Exhibit V).

## **VIII. Major shareholders and related party transactions**

Information concerning major shareholders of the Company, related party transactions and information concerning interests of experts and advisers is set forth in the Company's Definitive Proxy Statement (Exhibit V).

## **IX. Additional information**

More detailed information about the Company, including information about its charter documents, and its businesses, as well as the contact information for certain subsidiaries of the Company, is available on the Company's website (<http://investor.kelloggs.com>).

The Annual Report on Form 10-K for the Company and its predecessors for fiscal years ending December 29, 2012, December 31, 2011 and January 1, 2011, as well as Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934, as amended, are also made available on the Company's website (<http://investor.kelloggs.com>, under the "SEC filings" captions) after the Company electronically files such materials with, or furnishes them to, the SEC.

Required filings by the Company's officers and directors and certain third parties with respect to transactions or holdings in Company shares are also made available on the Company's website, as are statements for the Company's shareholder meetings. These filings may also be read and copied at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. The SEC also maintains an internet site ([www.sec.gov](http://www.sec.gov)) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Information about the Company's Board of Directors and Board Committees is available on the Company's website (<http://investor.kelloggs.com>, under the "Corporate Governance" captions).

## EXHIBITS

**EXHIBIT I**  
**KELLOGG COMPANY SUB-PLAN TO THE 2009 LONG-TERM INCENTIVE PLAN FOR**  
**PARTICIPANTS IN BELGIUM, AND THE KELLOGG COMPANY 2009 LONG-**  
**TERM INCENTIVE PLAN**

**EXHIBIT II**  
**KELLOGG UK SHARE INCENTIVE PLAN**

**EXHIBIT III**  
**KELLOGG (IRELAND) EMPLOYEE SHARE OWNERSHIP PLAN**

**EXHIBIT IV**  
**ANNUAL REPORT ON FORM 10-K**  
FILED BY KELLOGG COMPANY ON FEBRUARY 26, 2013

**EXHIBIT V**  
**DEFINITIVE PROXY STATEMENT ON FORM DEF 14A**  
FILED BY KELLOGG COMPANY ON MARCH 11, 2013

**EXHIBIT VI**  
**TAX AND SOCIAL SECURITY CONSEQUENCES OF**  
**PARTICIPATION IN THE PLANS**

## **1. Belgium**

The following is intended to briefly summarize certain tax consequences associated with the participation in the Belgian Plan.

This discussion reflects the tax and other laws as in effect in Belgium on March 1, 2013. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires Shares or sells Shares acquired under the Belgian Plan.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to the employee's particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of a country other than Belgium, the information contained in this description may not be applicable to the employee.

Any examples contained within this description are for illustrative purposes only.

### **Enrollment in the Belgian Plan**

The employee is not subject to tax when a stock purchase right is granted to him/her under the Belgian Plan (*i.e.*, when the employee subscribes to the Belgian Plan).

### **Contributions**

The monthly contributions an employee makes in the Belgian Plan should not have any income tax or social security contributions consequences. As the employee's contributions under the Belgian Plan are made from the net salary, *i.e.* the employee's salary after deduction of withholding taxes and social security contributions, the contributions in the Belgian Plan do not lower his/her income for purposes of calculating (i) his/her social security contributions and (ii) the withholding taxes his/her employer has to withhold, nor the income taxes the employee will be subject to.

### **Grant of Restricted Shares**

Upon the grant of Restricted Shares an employee is deemed to receive three Restricted Shares for the price of two Restricted Shares. Therefore, an employee will be deemed to have received a benefit in kind that is subject to income taxes at the normal progressive income tax rates and to social security contributions.

This benefit in kind is determined by deducting from the total market value of the Restricted Shares granted to the employee under the Belgian Plan the contributions made by the employee to receive those Restricted Shares. Due to a specific tax rule regarding the determination of the fair market value of shares subject to a lock-up of two years, which has been provided for in a Circular from the Belgian tax authorities, the fair market value of the Restricted Shares is, for purposes of the abovementioned determination of the benefit in kind, however deemed to be only 83.33% of the actual fair market value on the date of acquisition.

#### Example

- Purchase price of one Restricted Share is US\$ 52 or EUR 39 (at an exchange rate of US\$ 1 : EUR 0.75)
- Total contributions of US\$ 520 or EUR 390
- The employee received 15 Restricted Shares, with a total value of US\$ 780 or EUR 585, as US\$ 520 / US\$ 52 is equal to 10, and he/she receives three Restricted Shares for each two Restricted Shares that can be purchased with his/her contributions.

As the Restricted Shares are subject to a two year lock-up, the total fair market value is, for Belgian income tax purposes, deemed to be equal to US\$ 780 x 83.33%, or US\$ 649.97 or EUR 487.48. This means that, for Belgian income tax purposes, an employee is deemed to have received Shares for a total value of US\$ 649.97 or EUR 487.48 for which he/she only paid US\$ 520 or EUR 390; therefore the employee is deemed to receive a benefit in kind of US\$ 129.97 or EUR 97.48, that will be subject to personal income taxes at the progressive tax rates and that, under the current circumstances, will also be subject to social security contributions.

#### **Sale of Shares**

When the employee sells the Shares purchased under the Belgian Plan once the two year lock-up has lapsed, he/she should not be subject to income taxes or social security contributions.

#### **Dividends**

Where Shares are acquired under the Belgian Plan, dividends may be paid with respect to these Shares if the Company, in its discretion, declares a dividend. The dividends received will be subject to income tax in Belgium (at a rate of 25%) and to U.S. federal income withholding tax (at a rate of 30%). The employee may be entitled to reduce the U.S. federal income withholding tax rate (to 15%) provided that the appropriate certifications concerning domicile in Belgium are provided as required by the United States Internal Revenue Service (i.e., Substitute Form W-8/BEN Certificate of Foreign Status and Instructions available from the brokerage firm(s) retained by the Company). The Belgian income tax is due on the net dividend amount, i.e. the amount after deduction of the U.S. federal withholding tax.

An employee is not obliged to report the dividend income in his/her annual income tax return if the Belgian withholding tax has been levied. If no Belgian withholding tax was levied, an employee is obliged to report the dividends received in his/her annual income tax return.

If the dividends paid out on Shares an employee holds under the Belgian Plan are used to acquire additional Shares, this does not change the application of the above rules, which means that an employee will have to report the dividend amount used to acquire additional Shares in his/her annual income tax return.

### **Withholding and Reporting**

As the employee's local Belgian employer reimburses Kellogg Company for the costs relating to the Belgian Plan or is otherwise involved in the administration of the Belgian Plan, his/her local Belgian employer will report the benefit in kind on the employee's fiscal vouchers and will withhold income withholding tax and social security contributions (of 13.07% of the benefit in kind) from the employee's monthly salary.

Irrespective of the obligation to withhold income withholding tax and the obligation to report the benefit in kind on the employee's fiscal vouchers, an employee is always obliged to report the benefit in kind in his/her annual personal income tax return.

An employee is always obliged to report the foreign account he/she holds for purposes of participation in the Belgian Plan in his/her annual personal income tax return.

## 2. Ireland

The following is intended to briefly summarize certain tax consequences associated with the participation in the Irish Plan.

This discussion reflects the tax and other laws as in effect in Ireland on March 1, 2013. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires Shares or sells Shares acquired under the Irish Plan.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to the employee's particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result. **Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee is a citizen or resident of a country other than Ireland, the information contained in this description may not be applicable to the employee.

Any examples contained within this description are for illustrative purposes only.

### **Appropriation of Shares in the Irish Plan**

Employee contributions for the purchase of Shares are made from net (after-tax) earnings so no further tax charges apply to Shares appropriated to a participant using his/her contributions.

The employee is not subject to income tax on the value of the free matching award when Shares are appropriated to him/her under the Irish Plan. However, the universal social charge (USC) and employee pay related social insurance (PRSI) does apply to the value of any matching award, at the time it is made.

### **Disposal of Shares**

#### *Income tax*

When the employee transfers or sells the Shares acquired via the Irish Plan more than 3 years after the date on which it was allocated, no income tax arises with respect to the matching award.

If he/she sells any Shares before the 3<sup>rd</sup> anniversary of appropriation, an income tax claw-back will apply – note that Shares are deemed to be sold on a “first-in, first-out” basis for tax purposes, and any sales will be divided pro-rata between purchased and free matching Shares i.e. if a participant sells 10 Shares, this will be made up of 5 purchased and 5 matching Shares, and the income tax claw back is on the matching award, as follows:

- If the employee disposes of matching Shares prior to the third anniversary of the date of appropriation he/she will be subject to a claw back of income tax on 100% of the lesser of i) the value of the matching award of Shares at the date it was first allocated or ii) the proceeds of sale.

- If an employee ceases employment due to injury, disability, redundancy or retirement all Shares can be disposed of immediately but there is a claw back of income tax on 50% of the lesser of i) the value of the matching award of Shares at the date was first allocated or ii) the proceeds of sale. The Shares do not have to be disposed of in these circumstances and can be left in trust for the full 3 year holding period to avail of full income tax relief.
- In the event of the death of a participant no income tax claw back applies.

### *Capital gains tax*

Regardless of the income tax position on a disposal, a capital gain may also be realised on disposal and capital gains tax may be payable. It is the employee's responsibility to report the disposal and any related gain/loss and pay any capital gains tax due, in accordance with self-assessment rules.

### **Dividends**

Where Shares are acquired under the Irish Plan, dividends may be paid with respect to such Shares. The dividends received will be subject to Irish encashment tax at the standard rate of income tax in Ireland (currently 20%) and to U.S. federal income withholding tax (at a rate of 30%). The employee may be entitled to reduce the U.S. federal income withholding tax rate (to 15%) provided that the appropriate certifications concerning domicile in Ireland are provided as required by the United States Internal Revenue Service (i.e. on Form W-8 BEN).

Depending on his/her rate of tax and personal circumstances the employee may have to pay some additional income tax, Universal Social Charge and PRSI. He/she may be entitled to receive a tax credit in respect of the US withholding tax deducted. The employee should include details of the dividends on a tax return. It is a matter for the employee to account for any taxes payable on dividends received and make related tax returns.

### **Withholding and Reporting**

The local Irish employer will deduct the USC and PRSI due on matching awards of Shares allocated to a participant, via payroll.

The trustee is obliged to file an annual reporting form in respect of the Irish Plan with the Irish Revenue Commissioners, setting out details of all allocations of Shares and other activities/transactions e.g. early sales, dividend payments.

Where Shares are disposed of prior to the 3<sup>rd</sup> anniversary and an income tax claw back applies:

- If the Shares are transferred (rather than sold) out of the trust, the employee must prior to such transfer pay to the trustee a sum equal to income tax at the standard rate (currently 20%) on 100%/50% (as applicable – see above) of the value of the matching award of Shares at the date it was first allocated. The trustee must remit this amount to the Irish Revenue Commissioners
- If the Shares are sold it is the responsibility of the employee to report and pay the additional income tax payable in accordance with self-assessment rules.

The employee is also responsible for reporting any disposals of Shares and for paying any related capital gains tax arising, in accordance with the relevant self-assessment and capital gains tax payment rules.

### 3. UK

The following is intended to briefly summarize certain tax consequences associated with the acquisition of Shares under the UK Plan, as well as the sale of Shares obtained under the UK Plan, by employees who are resident and ordinarily resident in the United Kingdom.

This discussion reflects the tax and other law as in effect on 1 March 2013. Such laws are often complex and change frequently. As a result, the information contained in this description may be out of date at the time the employee is granted an award, acquires Shares, receives dividends or sells Shares acquired under the UK Plan.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply.

It may not apply to the employee's particular tax or financial situation and the Company is not in a position to assure the employee of any particular tax result.

**Accordingly, the employee is strongly advised to seek appropriate professional advice as to how the tax or other laws in his/her country apply to his/her specific situation.**

If the employee was not resident and ordinarily resident in the United Kingdom at the time the rights under the UK Plan were granted or subsequently, or the employee is a citizen or resident of a country other than the United Kingdom, or the employee is subject to the remittance basis of taxation, the information contained in this description may not be applicable to the employee.

#### **On acquisition of shares**

The acquisition of Shares, whether as Free Shares, Purchased Shares, Matching Shares or Dividend Shares is not subject to income tax or NICs at the time of acquisition.

#### **Withdrawal of Free and Matching Shares from the UK Plan**

Income tax and NIC's may be due on the withdrawal of Free and Matching Shares from the UK Plan, depending on how long they have been held and the reason for leaving.

If Shares are withdrawn because the employee leaves employment by reason of injury, disability, redundancy, retirement, death, a TUPE transfer, or the employee's employer ceasing to be an associated company, there is no income tax or NIC's due.

If Shares are withdrawn for any other reason:

- If the Shares are withdrawn within three years of their award, income tax and NIC's are due on the market value of the Shares at the date they are withdrawn from the UK Plan.
- If the Shares are withdrawn between the third and fifth anniversaries of the date of award, income tax and NIC's are payable on the lower of the market value of the Shares at the date of the award and their value at the date they are withdrawn from the UK Plan.

- If the Shares are withdrawn more than five years after the date of the award, no income tax or NIC's are due.

### **Withdrawal of Purchased Shares from the UK Plan**

Income tax and NIC's may be due on the withdrawal of purchased shares from the UK Plan, depending on how long they have been held and the reason for leaving.

If Shares are withdrawn because the employee leaves employment by reason of injury, disability, redundancy, retirement, death, a TUPE transfer or the employee's employer ceasing to be an associated company, there is no income tax or NIC's due.

If Shares are withdrawn for any other reason:

- If the Shares are withdrawn within three years of their acquisition, income tax and NIC's are due on the market value of the Shares at the date they are withdrawn from the UK Plan.
- If the Shares are withdrawn between the third and fifth anniversaries of the date of award, income tax and NIC's are payable on the lower of the amount of purchased share money used to acquire the Shares and their market value at the date they are withdrawn from the UK Plan.
- If the Shares are withdrawn more than five years after the date of the award, no income tax or NIC's are due.

### **Withdrawal of Dividend Shares from the UK Plan**

If Dividend Shares are taken out of the UK Plan within three years of the date of their acquisition, the dividend originally used to buy them is subject to income tax but not NIC's. This is payable at the rate applicable to dividends through self-assessment.

### **On disposal of UK Plan shares**

Any growth in value of UK Plan Shares is sheltered from Capital Gains Tax whilst the Shares remain held in the UK Plan Trust under the rules of the UK Plan. If Shares are sold directly from the UK Plan Trust, no Capital Gains Tax will arise. If Shares are withdrawn from the UK Plan Trust, and later sold, then Capital Gains Tax may be payable on any gain over their value when they came out of the UK Plan Trust.

### **Income Tax and NIC's**

Income tax liabilities will be levied at the employee's marginal income tax rate of up to 50% (45% with effect from 6 April 2013), depending on the employee's total annual earnings.

In addition, employee NICs will be due at a rate of 12% to the extent the employee has not exceeded the upper earnings limit, which for the tax year 6 April 2012 to 5 April 2013 is £42,484 per annum or £817 per week (reduced to £41,444 per annum or £797 per week with effect from 6 April 2013). To the extent the employee has exceeded the upper earnings limit, the employee will be subject to employee NICs at a rate of 2% on the spread.

Generally, the employer will withhold and account to HM Revenue and Customs (“HMRC”) income tax and employee NICs by deductions from payments due to the employee, via the Pay-As-You-Earn (“PAYE”) tax withholding system.

Alternatively, the Company may sell or arrange for the sale of the shares that the employee acquires under the UK Plan to cover these amounts.

### **Capital Gains Tax**

Capital gains tax is payable on gains from all sources in excess of the annual personal exemption in any tax year. For the tax year 6 April 2012 to 5 April 2013, this personal exemption is £10,600 (this is expected to increase with effect from 6 April 2013, though the precise figure is not known at this time).

A capital gains tax rate of 28% is payable on the amount of any gain (or any parts of gains) that exceeds the upper limit of the income tax basic rate band when aggregated with the employee’s cumulative taxable income and other chargeable gains in any tax year. For the 2012/2013 tax year, the upper limit of the income tax basic rate band is £34,370 (decreasing to £32,010 with effect from 6 April 2013). Below this limit, capital gains tax is payable at a rate of 18%.

If the employee acquires other shares in the Company, the Participant will need to take into account the share identification rules in calculating the capital gains tax liability.

All shares of the same class in the Company will be treated as forming a single asset (a share pool), regardless of when they were originally acquired. The base cost of the shares in the share pool is calculated on the average base cost of all the shares in the share pool (rather than being calculated on the basis of selected shares within the share pool).

However, any shares in the Company that the employee acquires on the same day as he/she sells any of their existing shares in the Company, and then those shares which he/she acquires within the following 30 days, will be treated as being disposed of first in time, before the other shares in the share pool.

Disposals are therefore taken to be made in the following order:

- against acquisitions on the same day;
- against acquisitions within the 30 days following the disposal; and
- against shares in the share pool.

The employee is personally responsible for reporting any taxable income arising upon the sale or disposal of shares that he/she purchased under the UK Plan on the Participant’s personal HMRC Self-Assessment Tax Return and for paying the applicable taxes directly to HMRC. The Company and/or the employee’s employer have no responsibility in respect of the employee’s capital gains tax liability.

**Please note that the capital gains tax rules are complex and their impact will vary according to the employee’s own circumstances. It is therefore recommended that the employee obtain**

**his/her own independent tax advice prior to any acquisition, sale or disposal of shares by the employee.**

**Dividends**

Dividends received directly by the employee in respect of any Shares will be subject to income tax in the United Kingdom (at the employee's marginal income tax rate) and to U.S. federal income tax withholding at source (at a rate of 30%). No NICs are due on dividends.

The employee may be entitled to reduce U.S. federal income withholding tax rate (to 15%) provided that the appropriate certifications concerning domicile in the United Kingdom are provided, required by the United States Internal Revenue Service (*i.e.*, Substitute Form W-8/BEN Certificate of Foreign Status and Instructions, available from the brokerage firm(s) retained by the Company). The employee may be entitled to a U.K. tax credit for the U.S. taxes paid provided certain conditions are met.

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