KELLOGG CO
Form 424B5
May 20, 2014
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-181377

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
1.750% Senior Notes due 2021	$685,400,000	$88,280

(1) 500,000,000 aggregate principal amount of the 1.750% Senior Notes due 2021 will be issued. The Proposed Maximum Aggregate Offering Price is based on the noon buying rate in New York City on May 16, 2014 for cable transfers of 1.00=$1.3708 as announced by the United States Federal Reserve Board for euro.

(2) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

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PROSPECTUS SUPPLEMENT

(To prospectus dated May 14, 2012)

500,000,000

1.750% Senior Notes due 2021

We are offering 500,000,000 aggregate principal amount of 1.750% senior notes due 2021 (the notes). The notes will mature on May 24, 2021. Interest on the notes is payable annually in arrear on May 24 of each year, commencing May 24, 2015.

We may redeem some or all of the notes at any time and from time to time at the make whole redemption price described under the heading Description of the Notes Optional Redemption. In addition, the notes may be redeemed in whole, but not in part, at our option, in the event of certain developments affecting United States taxation as described under the heading Description of the Notes Redemption for Tax Reasons.

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.

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. The notes will be issued only in minimum denominations of 100,000 and integral multiples of 1,000 in excess thereof.

Investing in the notes involves risks. See Risk Factors beginning on page S-6 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.

Currently there is no public market for the notes. We intend to apply to list the notes on the New York Stock Exchange. The listing application will be subject to approval by the New York Stock Exchange. If such listing is obtained, we have no obligation to maintain such listing and we may delist the notes at any time.

	Per Note	Total
Public offering price (1)	99.511%	497,555,000
Underwriting discounts and commissions	0.350%	1,750,000
Proceeds, before expenses, to us	99.161%	495,805,000

(1) Plus accrued interest from May 23, 2014 if delivery of the notes occurs after that date.

The notes will initially be represented by one or more global notes in registered form which will be registered in the name of a nominee of a common depositary for Euroclear Bank S.A./N.V. (Euroclear) and Clearstream Banking, *société anonyme* (Clearstream). It is expected that delivery of the global note(s) will be made on May 23, 2014 or such later date as may be agreed by us and the underwriters.

Joint Book-Running Managers

Barclays **Deutsche Bank** **Rabobank International**

Co-Managers

BBVA **Wells Fargo Securities**

The date of this prospectus supplement is May 19, 2014.

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About This Prospectus Supplement

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 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 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 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 herein or therein is correct as of any time subsequent to its date.

The notes are being offered for sale only in jurisdictions where it is lawful to make such offers. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons outside the United States who receive this prospectus supplement and the accompanying prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. See Underwriting in this prospectus supplement.

Unless otherwise specified or indicated by the context, references in this prospectus supplement and the accompanying prospectus to the Company, Kellogg, we, us and our refer to Kellogg Company and its divisions and subsidiaries. References in this prospectus supplement ar the accompanying prospectus to $ and dollars are to the currency of the United States. References to and euro in this prospectus supplement a to the currency of the member states of the European Monetary Union that have adopted or that adopt the single currency in accordance with the treaty establishing the European Community, as amended by the Treaty on European Union. The financial information presented, or incorporated by reference in this prospectus supplement and the accompanying prospectus has been prepared in accordance with Generally Accepted Accounting Principles in the United States.

Notice to Prospective Investors in the European Economic Area

This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of notes in any Member State of the European Economic Area (the EEA) that has implemented the Prospectus Directive (2003/71/EC) (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of notes. Accordingly, any person making or intending to make any offer in that Relevant Member State of notes which are the subject of the offering contemplated by this prospectus supplement and the accompanying prospectus may only do so in circumstances in which no obligation arises for Kellogg or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither Kellogg nor the underwriters have authorized, nor does Kellogg or they authorize, the making of any offer of notes in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer.

Notice to Prospective Investors in the United Kingdom

This prospectus supplement and accompanying prospectus are only being distributed to, and are only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive and that are also (1) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (2) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the

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Order (each such person being referred to as a Relevant Person). This prospectus supplement and accompanying prospectus and their contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this prospectus supplement and/or accompanying prospectus or any of their contents.

This prospectus supplement and accompanying prospectus have not been approved for the purposes of section 21 of the UK Financial Services and Markets Act 2000 (FSMA) by a person authorized under FSMA. This prospectus supplement and the accompanying prospectus are being distributed and communicated to persons in the United Kingdom only in circumstances in which section 21(1) of FSMA does not apply. The notes are not being offered or sold to any person in the United Kingdom except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of FSMA.

Stabilization

IN CONNECTION WITH THE ISSUE OF THE NOTES, BARCLAYS BANK PLC (IN THIS CAPACITY, THE STABILIZING MANAGER) (OR ANY PERSON ACTING ON ITS BEHALF) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE ANY STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE, AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. SEE UNDERWRITING.

THE UNDERWRITERS HAVE ADVISED US THAT ANY STABILIZATION ACTION COMMENCED WILL BE CARRIED OUT IN ACCORDANCE WITH APPLICABLE LAWS AND REGULATIONS.

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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 sections titled Where You Can Find More Information and Incorporation of Certain Information by Reference.

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.

The Company s principal products are ready-to-eat cereals and convenience foods, such as cookies, crackers, savory snacks, toaster pastries, cereal bars, fruit-flavored snacks, frozen waffles and veggie foods. The Company s cereal products are generally marketed under the *Kellogg s* name and are sold to the grocery trade through direct sales forces for resale to consumers. The Company uses broker and distributor arrangements for certain products. The Company also markets cookies, crackers, crisps, and other convenience foods, under brands such as *Kellogg s, Keebler, Pringles, Cheez-It, Murray, Austin* and *Famous Amos,* to supermarkets in the United States through a direct store-door (DSD) delivery system, although other distribution methods are also used. The Company also generally uses these, or similar arrangements, in less-developed market areas or in those market areas outside of the Company s focus.

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.

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Summary Historical Financial Data

The following table presents our summary financial data prepared in accordance with U.S. generally accepted accounting principles (GAAP) and the regulations of the U.S. Securities and Exchange Commission (SEC). The summary historical financial data has been derived from (i) our audited consolidated financial statements as of and for the three fiscal years ended December 28, 2013, December 29, 2012 and December 31, 2011, which is incorporated by reference herein, (ii) our unaudited consolidated financial statements as of and for the quarter ended March 29, 2014, which is incorporated by reference herein, and (iii) our unaudited consolidated financial statements as of and for the quarter ended March 30, 2013, which are not included in this prospectus supplemented or incorporated by reference herein. The information set forth below should be read together with the other information contained herein and in the documents incorporated by reference herein.

The summary historical financial data should be read in conjunction with Risk Factors in this prospectus supplement, the risks discussed elsewhere in this prospectus supplement and the accompanying prospectus, including those set forth under the heading Forward-Looking Statements in the accompanying prospectus, and the risk factors set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 28, 2013 and Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended March 29, 2014, each of which is incorporated by reference herein, the section Management s Discussion and Analysis of Financial Condition and Results of Operations appearing in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 28, 2013 and Part I, Item II of our Quarterly Report on Form 10-Q for the quarter ended March 29, 2014, each of which is incorporated by reference herein, and our consolidated financial statements and the related notes thereto incorporated by reference in this prospectus supplement.

(in millions, except per share data and number of employees)	Fiscal Year Ended			Fiscal Quarter Ended	
	December 28, 2013	**December 29, 2012**	**December 31, 2011**	**March 29, 2014**	**March 30, 2013**
Operating trends					
Net sales	$ 14,792	$ 14,197	$ 13,198	$ 3,742	$ 3,861
Gross profit as a % of net sales	41.3%	38.3%	39.0%	40.2%	36.1%
Depreciation	523	444	367	114	111
Amortization	9	4	2	2	2
Advertising expense	1,131	1,120	1,138	254	262
Research and development expense	199	206	192	47	48
Operating profit	2,837	1,562	1,427	614	503
Operating profit as a % of net sales	19.2%	11.0%	10.8%	16.4%	13.0%
Interest expense	235	261	233	52	60
Net income attributable to Kellogg Company	1,807	961	866	406	311
Average shares outstanding:					
Basic	363	358	362	360	363
Diluted	365	360	364	362	366
Per share amounts:					
Basic	4.98	2.68	2.39	1.13	0.86
Diluted	4.94	2.67	2.38	1.12	0.85
Cash flow trends					
Net cash provided by operating activities	$ 1,807	$ 1,758	$ 1,595	$ 268	$ 338
Capital expenditures	637	533	594	97	102
Net cash provided by operating activities reduced by capital expenditures (1)	1,170	1,225	1,001	171	236
Net cash used in investing activities	(641)	(3,245)	(587)	(99)	(102)
Net cash used in financing activities	(1,141)	1,317	(957)	(147)	(260)
Capital structure trends					
Total assets	$ 15,474	$ 15,169	$ 11,943	$ 15,728	$ 15,224
Property, net	3,856	3,782	3,281	3,851	3,745
Short-term debt and current maturities of long-term debt	1,028	1,820	995	2,252	839
Long-term debt	6,330	6,082	5,037	5,413	6,717
Total Kellogg Company equity	3,545	2,404	1,796	3,511	2,781

Number of employees	30,277	31,006	30,671

(1) We present this non-GAAP financial measure, which is reconciled above, to focus management and investors on the amount of cash available for debt repayment, dividend distribution, acquisition opportunities, and share repurchase.

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The Offering

Issuer	Kellogg Company.
Notes Offered	500,000,000 aggregate principal amount of 1.750% senior notes due 2021.
Maturity	The notes will mature on May 24, 2021.
Interest	1.750% per annum. Interest on the notes is payable annually in arrear on May 24 of each year, commencing May 24, 2015.
Ranking	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. The notes will be effectively subordinated to all liabilities of our subsidiaries, including trade payables. As of March 29, 2014, our subsidiaries had $930 million of indebtedness (including outstanding letters of credit but excluding trade payables).
Currency of Payment	All payments of interest and principal, including payments made upon any redemption of the notes, will be made in euro. If the euro is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the notes will be made in dollars until the euro is again available to us or so used.
Additional Amounts	We will, subject to certain exceptions and limitations set forth herein, pay additional amounts on the notes as are necessary in order that the net payment by us of the principal of, and premium, if any, and interest on the notes to a holder who is not a United States person, after withholding or deduction for any future tax, assessment or other governmental charge imposed by the United States or a taxing authority in the United States will not be less than the amount provided in the notes to be then due and payable. See Description of the Notes Payment of Additional Amounts.
Optional Redemption	We may redeem the 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 notes being redeemed; and the sum of the present values of the remaining scheduled payments of principal and interest on the 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 an annual basis (ACTUAL/ACTUAL

(ICMA)) at the applicable Comparable Government Bond Rate (as defined herein), plus 18 basis points.

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In case of redemption, we will also pay the accrued and unpaid interest on the notes to the redemption date.

Redemption for Tax Reasons	We may redeem the notes at our option in whole but not part if the tax laws of the United States (or any taxing authority in the United States) change and we become obligated to pay additional amounts on the notes as described under Description of the Notes Payments of Additional Amounts. This redemption would be at 100% of the principal amount, together with accrued and unpaid interest on the notes to the date fixed for redemption. See Description of the Notes Redemption for Tax Reasons.
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 repurchase date.
Covenants	Under the indenture governing the notes, 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 the net proceeds from the sale of the notes for general corporate purposes, including the repayment of a portion of our commercial paper borrowings. 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 and the initial interest accrual 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.
Denomination and Form	We will issue the notes in the form of one or more global notes fully registered in the name of a nominee of, and deposited with, a common depositary for Clearstream and Euroclear. 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

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	receive notes in definitive form and will not be considered holders of notes under the indenture. The notes will be issued only in minimum denominations of 100,000 and integral multiples of 1,000 in excess thereof.
Listing	We intend to apply to list the notes on the New York Stock Exchange. The listing application will be subject to approval by the New York Stock Exchange. If such a listing is obtained, we have no obligation to maintain such listing, and we may delist the notes at any time.
Material U.S. Federal Income Tax Considerations	If you are a holder subject to U.S. income tax, you will generally be taxed on stated interest on the notes as ordinary income at the time the interest is received or when it accrues, depending on your method of accounting for tax purposes. Any gain or loss you recognize on the sale, exchange, redemption or other disposition of a note generally will be capital gain or loss, subject to the special rules that apply to foreign currency transactions. The purchase of the notes in euro and payment of interest and proceeds upon disposition of the notes in euro may have significant tax consequences. You should consult your tax advisor regarding the United States federal, state, local or other tax consequences of acquiring, owning and disposing of the notes. See Material U.S. Federal Income Tax Considerations.
Risk Factors	You should carefully read and consider the information set forth in Risk Factors, the risks discussed elsewhere in this prospectus supplement and the accompanying prospectus, including those set forth under the heading Forward-Looking Statements in the accompanying prospectus, and the risk factors set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 28, 2013 and Part II, Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2014 before investing in the notes.
Selling Restrictions	You should carefully read and consider the information set forth in About This Prospectus Supplement and Underwriting Selling Restrictions before investing in the notes.
Trustee, Registrar, U.S. Paying Agent and U.S. Transfer Agent	The Bank of New York Mellon Trust Company, N.A.
London Paying Agent	The Bank of New York Mellon, London Branch.
Governing Law	New York.

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Risk Factors

An investment in the notes involves risks. Before deciding whether to purchase the n