



FY17 Q4
Earnings Presentation
June 29, 2017



Today's Presenters

Brian Kearney

Director of Investor Relations

Sean Connolly

President and Chief Executive Officer

Dave Marberger

Chief Financial Officer



Forward-Looking Statements & Non-GAAP Measures

Forward-Looking Statements

This document contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. We undertake no responsibility for updating these statements. Readers of this document should understand that these statements are not guarantees of performance or results. Many factors could affect our actual financial results and cause them to vary materially from the expectations contained in the forward-looking statements, including those set forth in this document. These risks and uncertainties include, among other things: our ability to achieve the intended benefits of acquisitions and divestitures, including the recent spin-off of our Lamb Weston business and our divestiture of the Wesson oil brand; general economic and industry conditions; our ability to successfully execute our long-term value creation strategy; our ability to access capital; our ability to execute our operating and restructuring plans and achieve our targeted operating efficiencies from cost-saving initiatives and to benefit from trade optimization programs; the effectiveness of our hedging activities, and our ability to respond to volatility in commodities; the competitive environment and related market conditions; our ability to respond to changing consumer preferences and the success of our innovation and marketing investments; the ultimate impact of any product recalls and litigation, including litigation related to the lead paint and pigment matters; actions of governments and regulatory factors affecting our businesses; the availability and prices of raw materials, including any negative effects caused by inflation or weather conditions; risks and uncertainties associated with intangible assets, including any future goodwill or intangible assets impairment charges; the costs, disruption, and diversion of management's attention associated with campaigns commenced by activist investors; and other risks described in our reports filed from time to time with the Securities and Exchange Commission. We caution readers not to place undue reliance on any forward-looking statements included in this document, which speak only as of the date of this document.

Non-GAAP Measures

This presentation includes certain non-GAAP financial measures. Management considers GAAP financial measures as well as such non-GAAP financial measures in its evaluation of the Company's financial statements and believes these non-GAAP measures provide useful supplemental information to assess the Company's operating performance and financial position. These measures should be viewed in addition to, and not in lieu of, the Company's diluted earnings per share, operating performance and financial measures as calculated in accordance with GAAP.

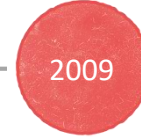


Sean Connolly

President and Chief Executive Officer



New Era, New Company



Agriculture

Diversified Conglomerate

Branded Pure Play



Better Positioned for Value Creation

from

to

Conglomerate

Pure Play Branded Food Company

Focus on **Volume**

Focus on **Value**

Reliance on **Trade/Push**

Reliance on Brand **Strength/Pull**

SKU **Proliferation**

SKU **Optimization**

Erratic A&P/Innovation

Disciplined A&P/Innovation

Inefficient Cost Structure

LEAN Cost Structure

Weaker Margins

Stronger Margins



Two Years of Aggressive Action

Reshaping the Portfolio

- ✓ Sold Private Brands
- ✓ Divested Spicetec Flavors & Seasonings and J.M. Swank
- ✓ Successfully spun off Lamb Weston
- ✓ Launched new company
- ✓ Acquired Blake's, Frontera, Duke's meat snacks, BIGS seeds
- ✓ Signed agreement to divest Wesson

Improving Culture, Growth Capabilities, and Margins

- ✓ Built new management team
- ✓ Relocated headquarters to Chicago
- ✓ Built Growth Center of Excellence
- ✓ Rebuilt innovation pipeline
- ✓ Overhauled revenue base
- ✓ Drove significant margin expansion
- ✓ Optimizing Supply Chain network
- ✓ Completed \$200 million SG&A program
- ✓ Executing \$100 million trade efficiency program



Multi-Year Transformation Plan

FY16/17

- Reset top-line
- Expand margins

FY18

- Improve top-line
- Expand margins

FY19/20

- Accelerate growth
- Expand margins



Tremendous Opportunity Remains

- Continue to improve margins
- Continue to improve growth prospects
- Continue to reshape the portfolio, organically and inorganically



Performance Summary

(dollars in millions, except per share data)	Q4 FY17	vs YA	FY17	vs YA
Net Sales	\$1,862	(9.3)%	\$7,827	(9.7)%
Net Sales excl. impacts of divestitures & foreign exchange		(3.6)%		(5.0)%
Adj. Gross Profit	540	(5.1)%	2,365	(3.9)%
Adj. Gross Margin	29.0%	+130 bps	30.2%	+180 bps
Adj. Op. Profit*	254	(2.3)%	1,233	+12.4%
Adj. Op. Margin*	13.6%	+100 bps	15.8%	+310 bps
Adj. Diluted EPS from cont. ops.	\$0.37	+15.6%	\$1.74	+33.8%

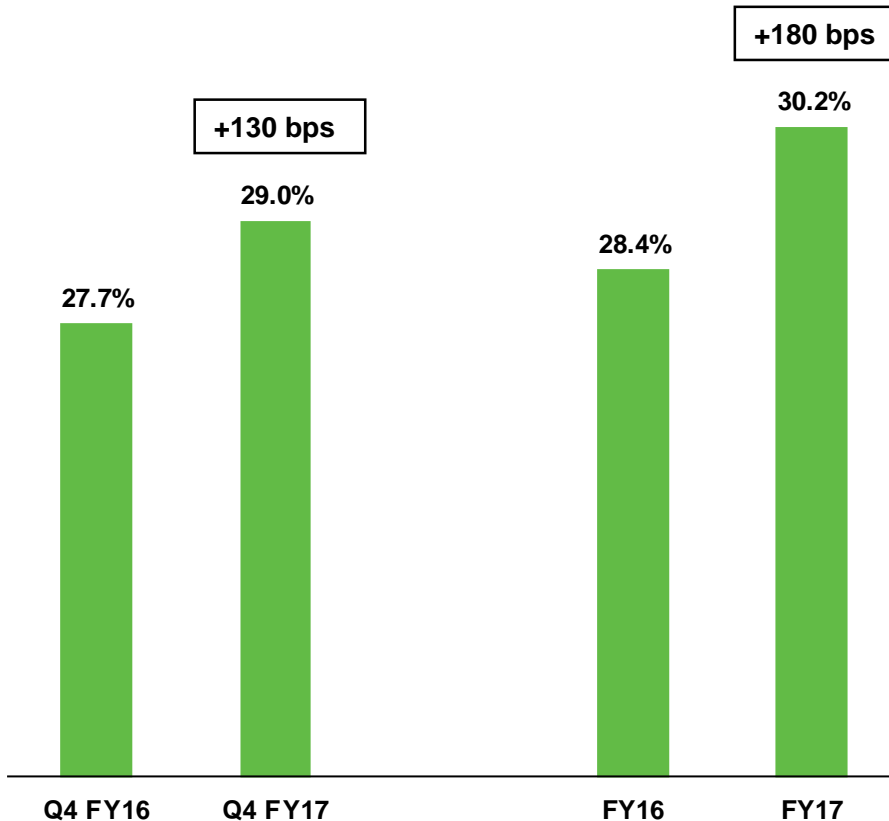
* Adjusted Operating Profit and Adjusted Operating Margin exclude equity method investment earnings

Note: "Adjusted" financial measures and Net sales excl. impacts of divestitures and foreign exchange are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures.

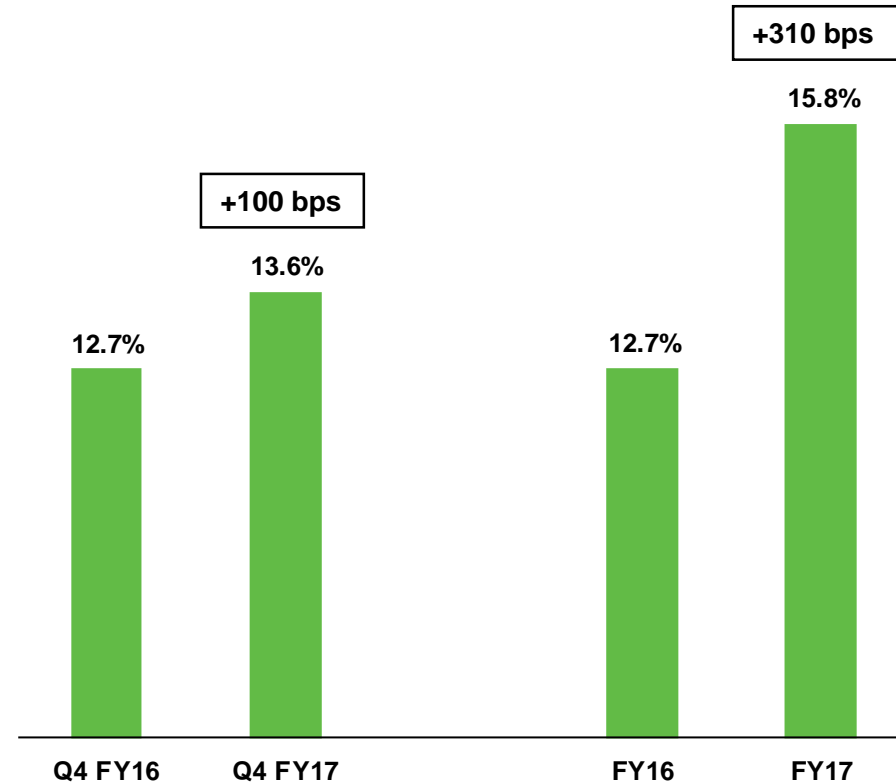


Strong Margin Improvement

Adj. Gross Margin



Adj. Operating Margin*



* Adjusted Operating Margin excludes equity method investment earnings

Note: "Adjusted" financial measures are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures.



Key Margin Drivers

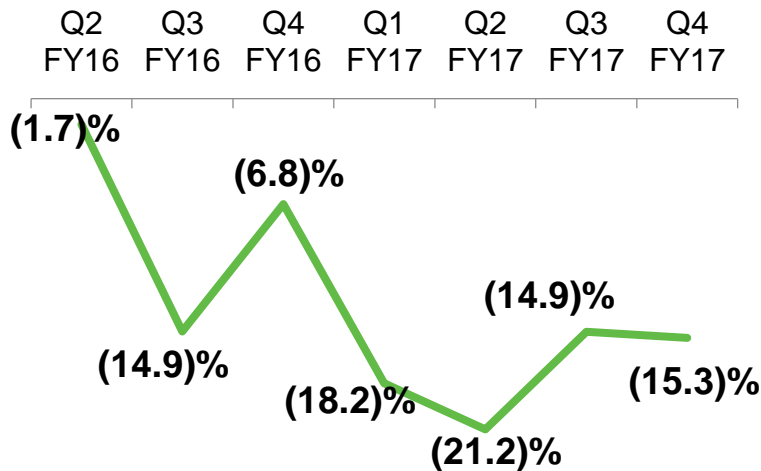
- ✓ \$200 million SG&A savings program completed
- ✓ Trade efficiency program on track
- ✓ Realizing pricing benefits of premiumization
- ✓ SKU rationalization working
- ✓ Supply Chain productivity coming through
- ✓ Divesting low-margin businesses



Value Over Volume Strategy On Track

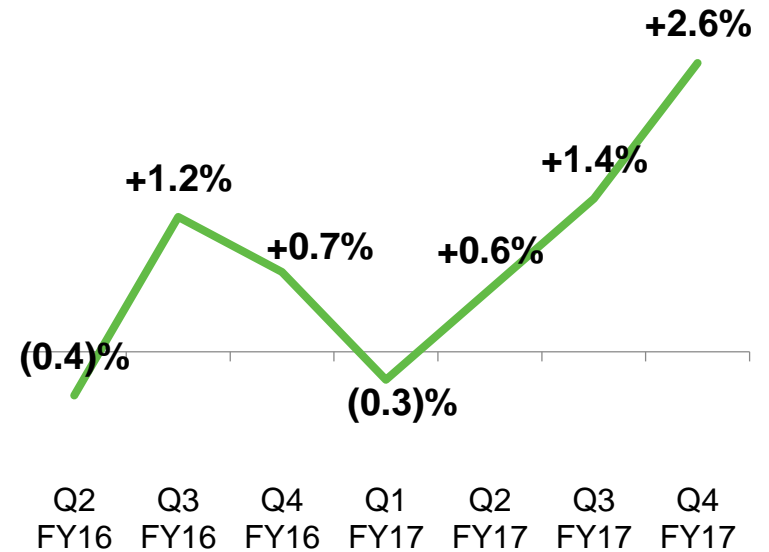
Incremental Sales

(% Change vs Year Ago)



Base Sales Velocity

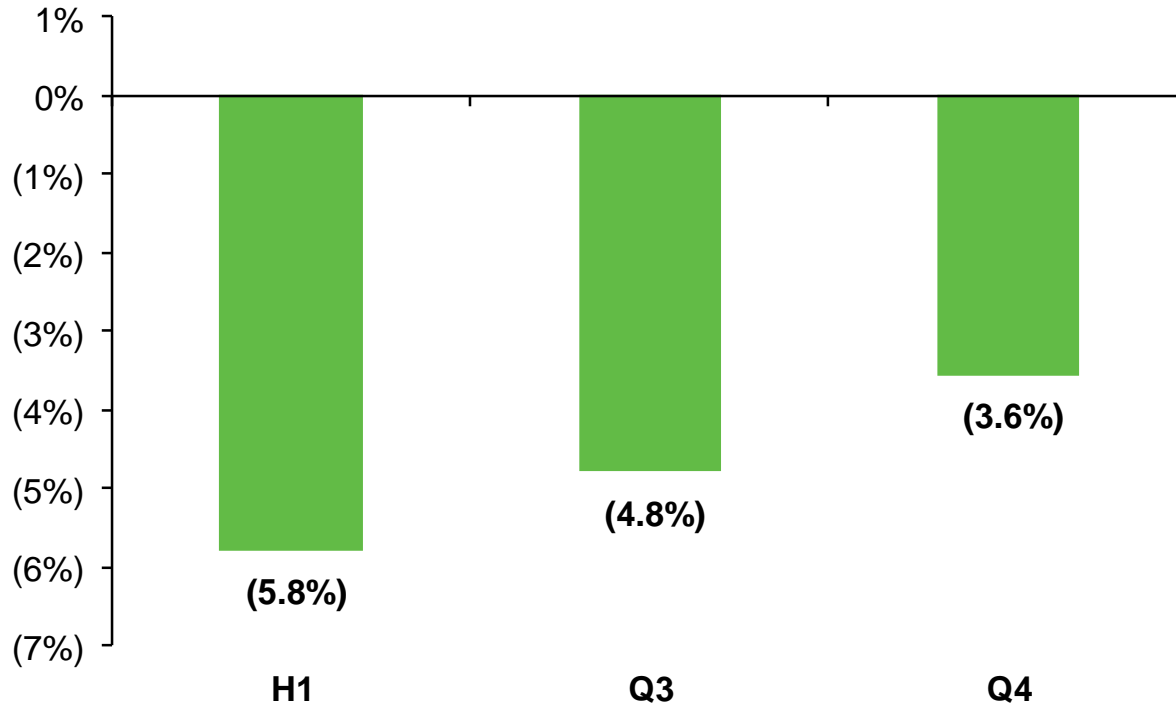
(% Change vs Year Ago)





FY17 Revenue Rebase Abating Sequentially

Net Sales Growth excl. Divestitures and Foreign Exchange



Modernizing Healthy Choice

Where We Were

Heart Health Focus



Where We Are

Broader Health Benefits





Strong Results From Modernizing

	Healthy Choice Results
% Volume from Millennials	+17%
\$ Sales	+2%
Base \$ Sales	+9%
Velocity	+11%
Healthy Choice Frozen Gross Margin Expansion (FY17 vs FY14)	>900 bps

Where We Are Headed

Healthy Choice

POWER BOWLS

Cuban-Inspired Pork Bowl

Tender Braised All Natural* Pork Loin with Black Beans and Vegetables served on top of Brown & Red Rice, Red Quinoa and Black Barley with a Sofrito Sauce

MADE WITH ALL NATURAL* PORK LOIN

NET WT 9.5 OZ (269g)

KEEP FROZEN; MUST BE COOKED THOROUGHLY

*NO ARTIFICIAL INGREDIENTS, MINIMALLY PROCESSED.

NEW

Healthy Choice

POWER BOWLS

Chicken Sausage & Barley Bowl

Sweet Apple & Gouda Cheese Chicken Sausage with Vegetables served on top of Barley with a Roasted Garlic Sauce

MADE WITH ALL NATURAL* CHICKEN RAISED WITHOUT ANTIBIOTICS

NET WT 9.25 OZ (262g)

KEEP FROZEN; MUST BE COOKED THOROUGHLY

*NO ARTIFICIAL INGREDIENTS, MINIMALLY PROCESSED.

NEW

Healthy Choice

POWER BOWLS

Adobo Chicken Bowl

Pulled All Natural* Chicken Breast with Vegetables served on top of Brown & Red Rice, Red Quinoa and Black Barley with a Guajillo Chili Sauce topped with Roasted Pepitas

MADE WITH ALL NATURAL* CHICKEN RAISED WITHOUT ANTIBIOTICS

SPICE LEVEL

NET WT 9.75 OZ (276g)

KEEP FROZEN; MUST BE COOKED THOROUGHLY

*NO ARTIFICIAL INGREDIENTS, MINIMALLY PROCESSED.

NEW

Healthy Choice

POWER BOWLS

Korean-Inspired Beef Bowl

Tender Braised All Natural* Beef with Shiitake Mushrooms and Vegetables served on top of Brown & Red Rice, Red Quinoa and Black Barley with a Spicy Gochujang and Soy Sauce topped with Black & White Sesame Seeds

MADE WITH ALL NATURAL* USDA CHOICE BEEF

SPICE LEVEL

NET WT 9.5 OZ (269g)

KEEP FROZEN; MUST BE COOKED THOROUGHLY

*NO ARTIFICIAL INGREDIENTS, MINIMALLY PROCESSED.

NEW

PER MEAL

	340 Calories	2.5g Sat. Fat 13% DV	600mg Sodium 12% DV	11g Total Sugar
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SEVING BOWL MADE FROM PLANT-BASED FIBER

PER MEAL

	290 Calories	2.5g Sat. Fat 13% DV	600mg Sodium 12% DV	7g Total Sugar
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SEVING BOWL MADE FROM PLANT-BASED FIBER



Robust FY18 Innovation Pipeline





Looking Ahead

- Continue top line progress
- New innovation slate starting to hit market
- Continue to focus on executional excellence
- Continue to expand margins
- Continue to re-shape portfolio via disciplined M&A



FY18 Outlook^{1,2}

Key Financial Metrics	FY18
Reported Net Sales Growth	(2)% to Flat
Organic Net Sales Growth ³	(2)% to Flat
Adj. Op. Margin ⁴	15.9% to 16.3%
Effective Tax Rate	32.5 to 33.5%
Adj. Diluted EPS from cont. ops.	\$1.84 to \$1.89
Share Repurchases ⁵	\$1.1 billion

1. The inability to predict the amount and timing of future items makes a detailed reconciliation of these forward-looking financial measures impracticable.
2. "Adjusted" financial measures and Organic Net Sales Growth are non-GAAP financial measures. The FY18 Outlook includes the Wesson oil brand for the full fiscal year.
3. Organic Net Sales growth excludes the impacts of foreign exchange as well as acquisitions and divestitures until the anniversary date of the transactions
4. Adjusted Operating Margin excludes Equity method investment earnings.
5. Subject to market and other conditions. Assumes no large synergistic acquisitions.



Dave Marberger

Chief Financial Officer



Consolidated Financial Summary

(dollars in millions, except per share data)	Q4 FY17	vs YA	FY17	vs YA
Net Sales	\$1,862	(9.3)%	\$7,827	(9.7)%
Net Sales excl. impacts of divestitures & foreign exchange		(3.6)%		(5.0)%
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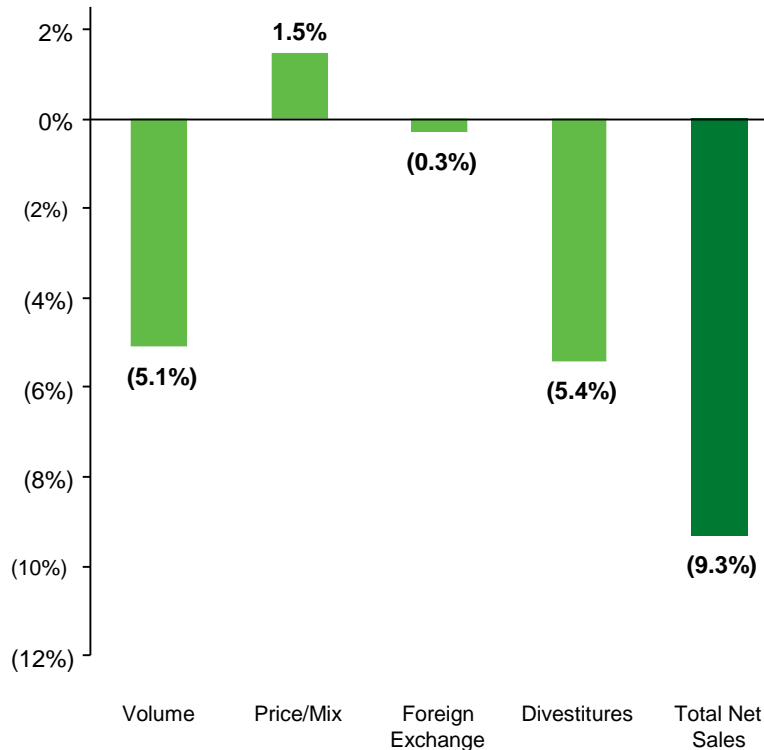
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Note: "Adjusted" financial measures and Net sales excl. impacts of divestitures and foreign exchange are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures.

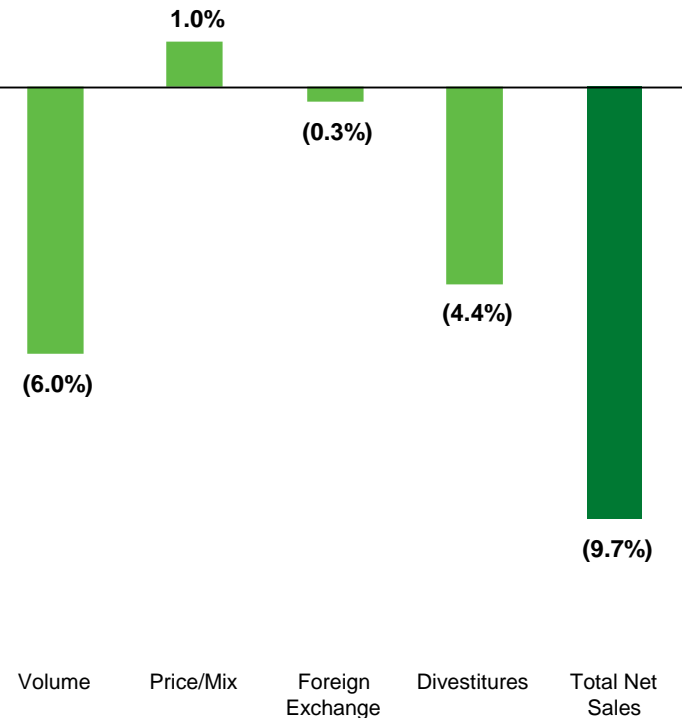


Net Sales Bridge

Q4 Drivers of Net Sales Change



FY17 Drivers of Net Sales Change

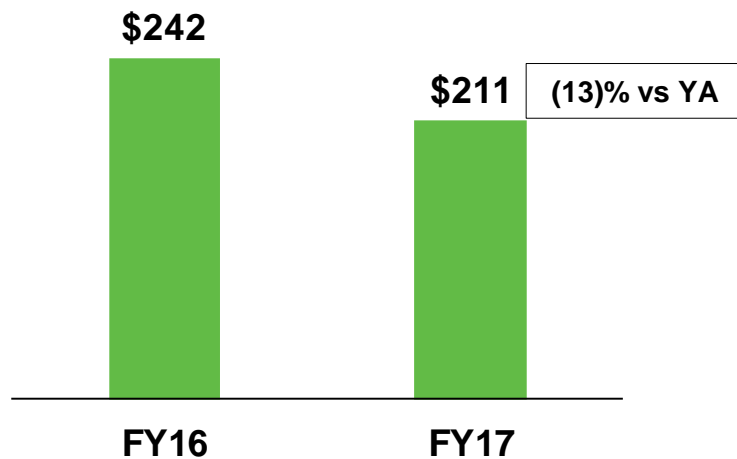




SG&A Reduction On Track

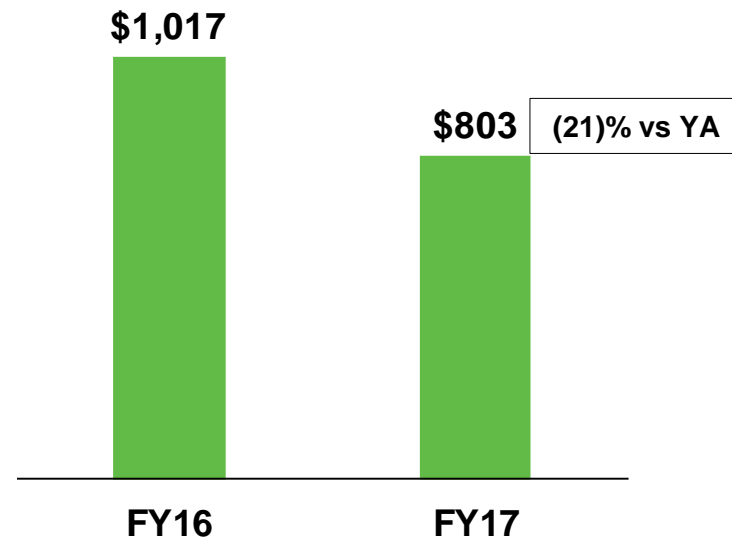
Q4 Adj. SG&A

(dollars in millions)



FY17 Adj. SG&A

(dollars in millions)



% Net Sales 11.8% 11.3%

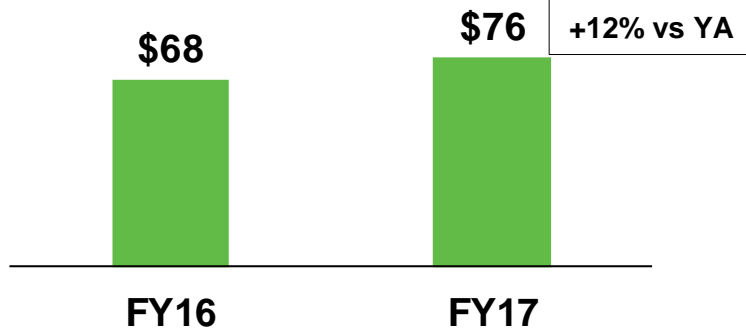
11.7% 10.3%

"Adjusted" financial measures are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures.
 Note: Adjusted SG&A excludes A&P as well as items impacting comparability.



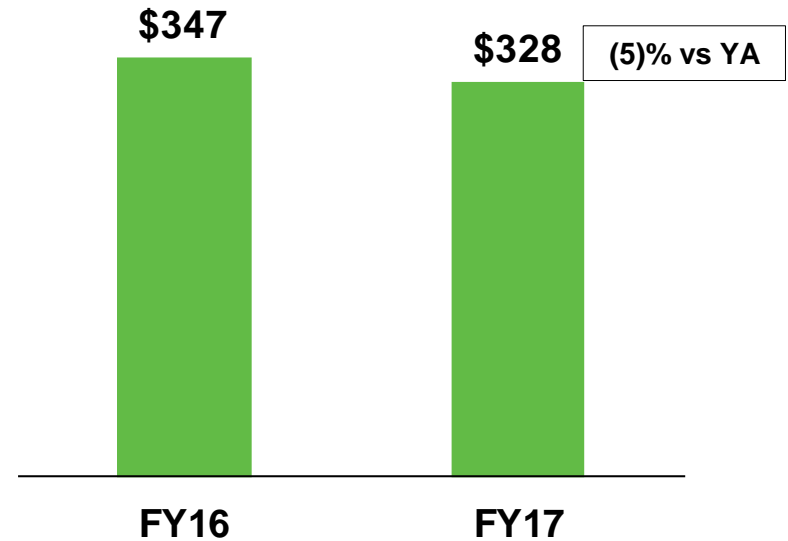
Strong A&P Investment in Q4

Q4 A&P (dollars in millions)



% Net Sales 3.3% 4.1% +80 bps

FY17 A&P (dollars in millions)



4.0% 4.2% +20 bps



FY17 Financial Summary by Segment

(dollars in millions)	Net Sales		Adj. Op. Profit ¹		Adj. Op Margin	
	FY17	vs YA	FY17	vs YA	Op Margin	vs YA
Grocery & Snacks	\$3,209	(5.0)%	\$779	+12.1%	24.3%	+370 bps
Refrigerated & Frozen	2,653	(7.5)%	452	+2.4%	17.0%	+165 bps
International	816	(3.6)%	68	-	8.3%	+30 bps
Foodservice	1,078	(2.4)%	107	+9.3%	9.9%	+105 bps
Commercial	71	(84.8)%	5	(88.5)%	7.3%	(240) bps
Corporate Expense	-	-	(177)	(29.0)%	-	-
Total	\$7,827	(9.7)%	\$1,233	12.4%	15.8%	+310 bps

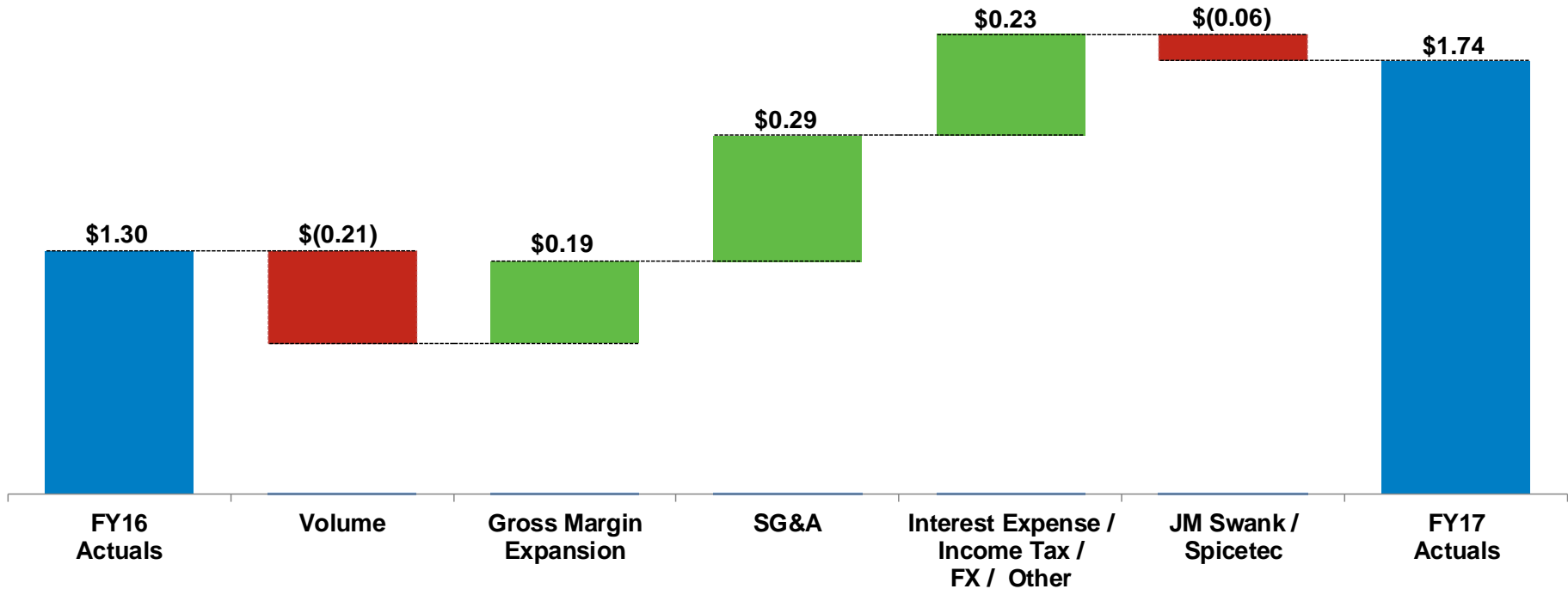
1. Adjusted Operating Profit excludes equity method investment earnings

Note: "Adjusted" financial measures are non-GAAP. See the end of this presentation for a reconciliation of these measures to the most directly comparable GAAP measures.



FY17 Adj. EPS Bridge

FY17 Drivers of Adj. Diluted EPS From Cont. Ops. vs YA





Key Balance Sheet & Cash Flow Metrics

YTD through Q4 (dollars in millions)	FY16	FY17
Net Cash Flow from Operating Activities – cont. ops.	\$626	\$1,141
Capital Expenditures	\$278	\$242
Dividends Paid	\$433	\$415
Share Repurchases	\$0	\$1,000
Trade Working Capital	\$988	\$725

(dollars in millions)	May 29, 2016	May 28, 2017
Debt	\$5,455	\$2,996
Cash	798	251
Ending Net Debt	\$4,657	\$2,745

Note: Debt is the sum of notes payable, current installments of long-term debt, senior long-term debt, and subordinated debt. Net Debt is Debt less Cash.
 Note: Trade Working Capital is Receivable plus Inventories less Accounts Payable.



FY18 Outlook^{1,2}

Key Financial Metrics	FY18	FY17-FY20 Algorithm
Reported Net Sales Growth	(2)% to Flat	n/a
Organic Net Sales Growth ³	(2)% to Flat	+1% to +2% CAGR
Adj. Op. Margin ⁴	15.9% to 16.3%	~16.5% in FY20
Effective Tax Rate	32.5 to 33.5%	n/a
Adj. Diluted EPS from cont. ops.	\$1.84 to \$1.89	+10% CAGR
Share Repurchases ⁵	\$1.1 billion	Continued

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5. Subject to market and other conditions. Assumes no large synergistic acquisitions.



Summary

- Strong FY17 results
- Continuing to make progress on upgrading volume base and expand margins
- Strong balance sheet
- FY18 Guidance shows continued progress
 - Organic net sales growth expected to improve each quarter
 - EPS growth weighted to second half of fiscal year



Q&A



Reconciliation Tables

Conagra Brands Net Sales Reconciliation

(dollars in millions)

	<u>FY 17</u>	<u>FY 17</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 16</u>	<u>FY 17</u>
	<u>Q1</u>	<u>Q2</u>	<u>Q2 YTD</u>	<u>Q2 YTD</u>	<u>Q3</u>	<u>Q3</u>	<u>Q4</u>	<u>Q4</u>	<u>FY 16</u>	<u>FY 17</u>
Net Sales	\$ 1,895.6	\$ 2,088.4	\$ 4,411.8	\$ 3,984.0	\$ 2,199.3	\$ 1,981.2	\$ 2,053.0	\$ 1,861.7	\$ 8,664.1	\$ 7,826.9
Impact of foreign exchange	10.6	8.9	-	19.5	-	3.8	6.0	6.0	29.3	29.3
Net sales from divested businesses	(71.1)	-	(237.5)	(71.1)	(114.2)	-	(116.4)	-	(468.1)	(71.1)
Net sales, excluding the impacts of divestitures and foreign exchange	<u>\$ 1,835.1</u>	<u>\$ 2,097.3</u>	<u>\$ 4,174.3</u>	<u>\$ 3,932.4</u>	<u>\$ 2,085.1</u>	<u>\$ 1,985.0</u>	<u>\$ 1,936.6</u>	<u>\$ 1,867.7</u>	<u>\$ 8,196.0</u>	<u>\$ 7,785.1</u>
% Change vs Year Ago				(5.8)%		(4.8)%		(3.6)%		(5.0)%
Net sales from acquired businesses	-	(6.4)		(6.4)		(8.6)		(21.5)		(36.5)
Net sales, excluding the impacts of divestitures, foreign exchange, and acquired businesses	<u>\$ 1,835.1</u>	<u>\$ 2,090.9</u>		<u>\$ 3,925.9</u>		<u>\$ 1,976.4</u>		<u>\$ 1,846.2</u>		<u>\$ 7,748.5</u>

Conagra Brands Gross Profit Reconciliation

(dollars in millions)

	<u>FY 17 Q4</u>	<u>FY 16 Q4</u>	<u>FY 17</u>	<u>FY 16</u>
Net Sales	\$ 1,861.7	\$ 2,053.0	\$ 7,826.9	\$ 8,664.1
Gross Profit	\$ 529.0	\$ 580.1	\$ 2,342.1	\$ 2,429.2
Net expense related to the planned divestiture of the Wesson oil brand, most of which is related to charges on the Wesson oil production facility	0.5	-	0.5	-
Net expense related to restructuring plans	5.5	3.6	17.2	49.0
Corporate hedging derivative losses (gains)	5.5	(14.4)	5.1	(16.4)
Adjusted Gross Profit	<u>\$ 540.5</u>	<u>\$ 569.3</u>	<u>\$ 2,364.9</u>	<u>\$ 2,461.8</u>
Gross Margin	28.4%	28.3%	29.9%	28.0%
Adjusted Gross Margin	29.0%	27.7%	30.2%	28.4%
Year-over-year change in Adjusted Gross Margin	130 bps		180 bps	

Reconciliation of total operating profit to income from continuing operations before income taxes and equity method earnings

Company operating Profit: Total operating profit for segments consisting of earnings before interest expense and equity method investment earnings, and income taxes.

Segment operating Profit: Total operating profit for segments consisting of earnings before general corporate expense, interest expense, equity method investment earnings, and income taxes.

(dollars in millions)

	<u>Q4 FY 16</u>	<u>Q4 FY 17</u>	<u>FY 16</u>	<u>FY 17</u>
Income (loss) from continuing operations before income taxes and equity method investment earnings	\$ (211.6)	\$ 73.7	\$ 108.8	\$ 729.5
Interest expense, net	60.1	37.5	295.8	195.5
Company operating profit	<u>\$ (151.5)</u>	<u>\$ 111.2</u>	<u>\$ 404.6</u>	<u>\$ 925.0</u>
General corporate expense	411.5	59.2	818.5	313.3
Segment operating profit	<u>\$ 260.0</u>	<u>\$ 170.4</u>	<u>\$ 1,223.1</u>	<u>\$ 1,238.3</u>

(dollars in millions)

	<u>Q4 FY 16</u>	<u>Q4 FY 17</u>	<u>FY 16</u>	<u>FY 17</u>
Company operating profit	\$ (151.5)	\$ 111.2	\$ 404.6	\$ 925.0
Gain adjustment on sale of Spicetec and J.M. Swank businesses	-	-	-	(197.4)
Net expense related to restructuring plans	22.3	16.0	281.8	63.6
Net expense related to goodwill and intangible impairment charges	50.1	95.5	50.1	304.2
Net expense related to the planned divestiture of the Wesson oil brand, most of which is related to impairment charges on the Wesson oil production facility	-	31.4	-	31.4
Net expense related to early extinguishment of debt	-	-	23.9	93.3
Net expense related to salaried Pension Plan Lump Sum Settlement	-	-	-	13.8
Net expense related to pension valuation adjustment	348.5	-	348.5	-
Net expense (benefit) related to legal matters	5.0	(5.7)	5.0	(5.7)
Corporate hedging derivative losses (gains)	(14.4)	5.5	(16.4)	5.1
Adjusted company operating profit	<u>\$ 260.0</u>	<u>\$ 253.9</u>	<u>\$ 1,097.5</u>	<u>\$ 1,233.3</u>
Adjusted company operating margin	12.7%	13.6%	12.7%	15.8%
Year-over-year growth		(2.3)%		12.4%
Year-over-year change		100 bps		310 bps

(dollars in millions)

	<u>Q4 FY 16</u>	<u>Q4 FY 17</u>	<u>FY 16</u>	<u>FY 17</u>
Segment operating profit	\$ 260.0	\$ 170.4	\$ 1,223.1	\$ 1,238.3
Net expense related to restructuring plans	9.8	10.6	74.2	34.2
Gain adjustment on sale of Spicetec and J.M. Swank businesses	-	-	-	(197.4)
Net expense related to goodwill and intangible impairment charges	50.1	95.5	50.1	304.2
Net expense related to the planned divestiture of the Wesson oil brand, most of which is related to impairment charges on an oil production facility	-	31.4	-	31.4
Adjusted segment operating profit	<u>\$ 319.9</u>	<u>\$ 307.9</u>	<u>\$ 1,347.4</u>	<u>\$ 1,410.7</u>

Grocery & Snacks Segment operating profit reconciliation

(dollars in millions)

	<u>Q4 FY 16</u>	<u>Q4 FY 17</u>	<u>FY 16</u>	<u>FY 17</u>
Grocery & Snacks Segment operating profit	\$ 114.3	\$ 50.9	\$ 592.9	\$ 653.7
Net expense related to restructuring plans	3.9	9.9	51.8	25.3
Net expense related to the planned divestiture of the Wesson oil brand, most of which is related to impairment charges on the Wesson oil production facility	-	31.4	-	31.4
Net expense related to intangible impairment charges	50.1	67.1	50.1	68.3
Adjusted Grocery & Snacks operating Profit	<u>\$ 168.3</u>	<u>\$ 159.3</u>	<u>\$ 694.8</u>	<u>\$ 778.7</u>
Adjusted Grocery & Snacks operating margin	21.8%	21.3%	20.6%	24.3%
Year-over-year change		(5.3)%		12.1%

Refrigerated & Frozen Segment operating profit reconciliation

(dollars in millions)

	<u>Q4 FY 16</u>	<u>Q4 FY 17</u>	<u>FY 16</u>	<u>FY 17</u>
Refrigerated & Frozen Segment operating profit	\$ 98.7	\$ 106.9	\$ 420.4	\$ 445.8
Net expense related to restructuring plans	6.1	0.1	21.1	6.2
Adjusted Refrigerated & Frozen operating Profit	<u>\$ 104.8</u>	<u>\$ 107.0</u>	<u>\$ 441.5</u>	<u>\$ 452.0</u>
Adjusted Refrigerated & Frozen operating margin	15.5%	16.7%	15.4%	17.0%
Year-over-year change		2.1%		2.4%

International Segment operating profit reconciliation

(dollars in millions)

	<u>Q4 FY 16</u>	<u>Q4 FY 17</u>	<u>FY 16</u>	<u>FY 17</u>
International Segment operating profit	\$ 13.7	\$ (11.1)	\$ 66.7	\$ (168.9)
Net expense related to restructuring plans	(0.2)	0.6	1.2	0.9
Net expense related to goodwill and intangible impairment charges	-	28.4	-	235.9
Adjusted International operating Profit	<u>\$ 13.5</u>	<u>\$ 17.9</u>	<u>\$ 67.9</u>	<u>\$ 67.9</u>
Adjusted International operating margin	6.5%	8.7%	8.0%	8.3%
Year-over-year change		32.6%		0.0%

Foodservice Segment operating profit reconciliation

(dollars in millions)

	<u>Q4 FY 16</u>	<u>Q4 FY 17</u>	<u>FY 16</u>	<u>FY 17</u>
Foodservice Segment operating profit	\$ 23.2	\$ 23.7	\$ 97.7	\$ 105.1
Net expense related to restructuring plans	-	-	0.1	1.8
Adjusted Foodservice operating Profit	<u>\$ 23.2</u>	<u>\$ 23.7</u>	<u>\$ 97.8</u>	<u>\$ 106.9</u>
Adjusted Foodservice operating margin	8.2%	8.9%	8.9%	9.9%
Year-over-year change		2.2%		9.3%

Commercial Segment operating profit reconciliation

(dollars in millions)

	Q4 FY 16	Q4 FY 17	FY 16	FY 17
Commercial Segment operating profit	\$ 10.1	\$ -	\$ 45.4	\$ 202.6
Gain on sale of Spicetec and J.M. Swank businesses	-	-	-	(197.4)
Adjusted Commercial operating Profit	<u>\$ 10.1</u>	<u>\$ -</u>	<u>\$ 45.4</u>	<u>\$ 5.2</u>
Adjusted Commercial operating margin	8.7%	0.0%	9.7%	7.3%
Year-over-year change		(100.0)%		(88.5)%

Corporate Expense Reconciliation

(dollars in millions)

	Q4 FY 16	Q4 FY 17	FY 16	FY 17
Corporate Expense	\$ 411.5	\$ 59.2	\$ 818.5	\$ 313.3
Net expense related to restructuring plans	12.5	5.4	207.6	29.4
Net expense related to early extinguishment of debt	-	-	23.9	93.3
Salaried Pension Plan Lump Sum Settlement	-	-	-	13.8
Net expense related to pension valuation adjustment	348.5	-	348.5	-
Net expense (benefit) related to legal matters	5.0	(5.7)	5.0	(5.7)
Corporate hedging derivative losses (gains)	(14.4)	5.5	(16.4)	5.1
Adjusted Corporate Expense	<u>\$ 59.9</u>	<u>\$ 54.0</u>	<u>\$ 249.9</u>	<u>\$ 177.4</u>
Year-over-year change		(9.8)%		(29.0)%

Reconciliation of total selling, general, and administrative expenses, adjusted for items impacting comparability

(dollars in millions)

	<u>Q4 FY 16</u>	<u>Q4 FY 17</u>	<u>FY 16</u>	<u>FY 17</u>
Net Sales	\$ 2,053.0	\$ 1,861.7	\$ 8,664.1	\$ 7,826.9
Selling, general, and administrative expenses	\$ 731.6	\$ 417.8	\$ 2,024.6	\$ 1,417.1
Gain adjustment on sale of Spicetec and J.M. Swank businesses	-	-	-	(197.4)
Advertising and promotion expenses	67.5	75.5	347.2	328.3
Net expense related to restructuring plans	18.7	10.5	232.8	46.4
Net expense related to goodwill and intangible impairment charges	50.1	95.5	50.1	304.2
Net expense related to the planned divestiture of the Wesson oil brand, most of which is related to impairment charges on the Wesson oil production facility	-	30.9	-	30.9
Net expense related to early extinguishment of debt	-	-	23.9	93.3
Net expense related to salaried Pension Plan Lump Sum Settlement	-	-	-	13.8
Net expense related to pension valuation adjustment	348.5	-	348.5	-
Net expense (benefit) related to legal matters	5.0	(5.7)	5.0	(5.7)
Adjusted selling, general, and administrative expenses	<u>\$ 241.8</u>	<u>\$ 211.1</u>	<u>\$ 1,017.1</u>	<u>\$ 803.3</u>
Year-over-year change		(12.7)%		(21.0)%
% of Net Sales	11.8%	11.3%	11.7%	10.3%

	<u>Q4 FY16</u>	<u>Q4 FY17</u>	<u>FY 16</u>	<u>FY 17</u>
Diluted EPS from continuing operations	\$ (0.27)	\$ 0.36	\$ 0.29	\$ 1.25
Gain adjustment on sale of Spicetec and J.M. Swank businesses	-	-	-	(0.16)
Net expense related to restructuring plans	0.04	0.02	0.41	0.09
Net expense related to the planned divestiture of the Wesson oil brand, most of which is related to impairment charges on the Wesson oil production facility	-	0.05	-	0.05
Net expense related to pension valuation adjustment	0.49	-	0.49	-
Net expense related to goodwill and intangible impairment charges	0.07	0.16	0.07	0.59
Net expense related to early extinguishment of debt	-	-	0.04	0.14
Net expense related to salaried Pension Plan Lump Sum Settlement	-	-	-	0.02
Corporate hedging derivative losses (gains)	(0.02)	0.01	(0.02)	0.01
Net expense (benefit) related to legal matters	0.01	(0.01)	0.01	(0.01)
Net benefit related to tax adjustment of valuation adjustment	-	(0.21)	-	(0.21)
Net expense (benefit) related to unusual tax items	0.01	-	0.03	(0.03)
Rounding	(0.01)	(0.01)	(0.02)	-
Adjusted Diluted EPS from continuing operations	<u>\$ 0.32</u>	<u>\$ 0.37</u>	<u>\$ 1.30</u>	<u>\$ 1.74</u>

FY17 Q4	Income from continuing operations		Income from continuing operations before income taxes		Effective Tax Rate ¹
		Income Tax Expense			
Reported	\$ 153.0	\$ (60.2)	\$ 92.8		(64.9)%
Restructuring plans	10.5	5.5	16.0		
Net expense related to the planned divestiture of the Wesson oil brand, most of which is related to impairment charges on the Wesson oil production facility	19.6	11.8	31.4		
Goodwill & Intangible Impairment Charges	66.7	28.8	95.5		
Legal Matters	(3.7)	(2.0)	(5.7)		
Corporate Hedging Derivative Losses	3.4	2.1	5.5		
Tax adjustment on gain on sale of Swank	(1.0)	1.0	-		
Tax adjustment of valuation allowance associated with a planned divestiture	(91.3)	91.3	-		
Adjusted	\$ 157.2	\$ 78.3	\$ 235.5		33.3%

1) Effective Tax Rate = Income Taxes as a % of Income from continuing operations before income taxes

FY17	Income from continuing operations		Income from continuing operations before income taxes		Effective Tax Rate ¹
		Income Tax Expense			
Reported	\$ 544.1	\$ 256.6	\$ 800.7		32.0%
Total Restructuring Plans	41.4	22.2	63.6		
Net expense related to the planned divestiture of the Wesson oil brand, most of which is related to impairment charges on the Wesson oil production facility	19.6	11.8	31.4		
Gain on Spicetec sale	(50.9)	(93.9)	(144.8)		
Gain on Swank sale	(17.5)	(35.1)	(52.6)		
Salaried Pension Plan Lump Sum Settlement	8.5	5.3	13.8		
Early Retirement of Debt	60.2	33.1	93.3		
Goodwill & intangible impairment charges	257.7	46.5	304.2		
Legal Matters	(3.7)	(2.0)	(5.7)		
Corporate Hedging Derivative Losses	3.2	1.9	5.1		
Tax adjustment of valuation allowance associated with a planned divestiture	(91.3)	91.3	-		
Unusual tax items	(14.6)	14.6	-		
Adjusted	\$ 756.7	\$ 352.3	\$ 1,109.0		31.8%

1) Effective Tax Rate = Income Taxes as a % of Income from continuing operations before income taxes