



FY18 Q2 Earnings Presentation

December 21, 2017



Today's Presenters

Brian Kearney

Investor Relations

Sean Connolly

President and Chief Executive Officer

Dave Marberger

Chief Financial Officer



Forward-Looking Statements & Non-GAAP Measures

Note on 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. 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: the ability and timing to obtain required regulatory approvals and satisfy other closing conditions for the pending Wesson divestiture and the pending acquisition of the Sandwich Bros. of Wisconsin business; our ability to achieve the intended benefits of recent and pending acquisitions and divestitures, including the recent spin-off of our Lamb Weston business; 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. We undertake no responsibility to update these statements.

Note on Non-GAAP Financial Measures

This document includes certain non-GAAP financial measures, including adjusted diluted EPS from continuing operations, organic net sales, adjusted gross profit, adjusted operating profit, adjusted corporate expenses, adjusted SG&A, adjusted gross margin, and adjusted operating margin. Management considers GAAP financial measures as well as such non-GAAP financial information 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.

Certain of these non-GAAP measures, such as organic net sales, adjusted operating margin, and adjusted diluted EPS from continuing operations, are forward-looking. Historically, the Company has excluded the impact of certain items impacting comparability, such as, but not limited to, restructuring expenses, the impact of the extinguishment of debt, the impact of foreign exchange, the impact of acquisitions and divestitures, hedging gains and losses, impairment charges, the impact of legacy legal contingencies, and the impact of unusual tax items, from the non-GAAP financial measures it presents. Reconciliations of these forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures are not provided because the Company is unable to provide such reconciliations without unreasonable effort, due to the uncertainty and inherent difficulty of predicting the occurrence and the financial impact of such items impacting comparability and the periods in which such items may be recognized. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.



Sean Connolly

President and Chief Executive Officer

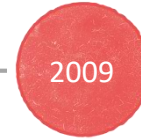
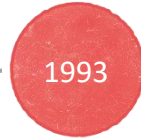


Key Takeaways

- We remain on track with our transformation
- Sales trends continued to improve
- Near-term gross margin pressure
- Executing M&A agenda
- Repurchased \$280 million of shares
- Updating guidance



One Year of Being a Pure Play



Agriculture

Diversified Conglomerate

Branded Pure Play



Conagra Transformation On Track

FY16/17

- Reset top-line
- Expand margins

FY18

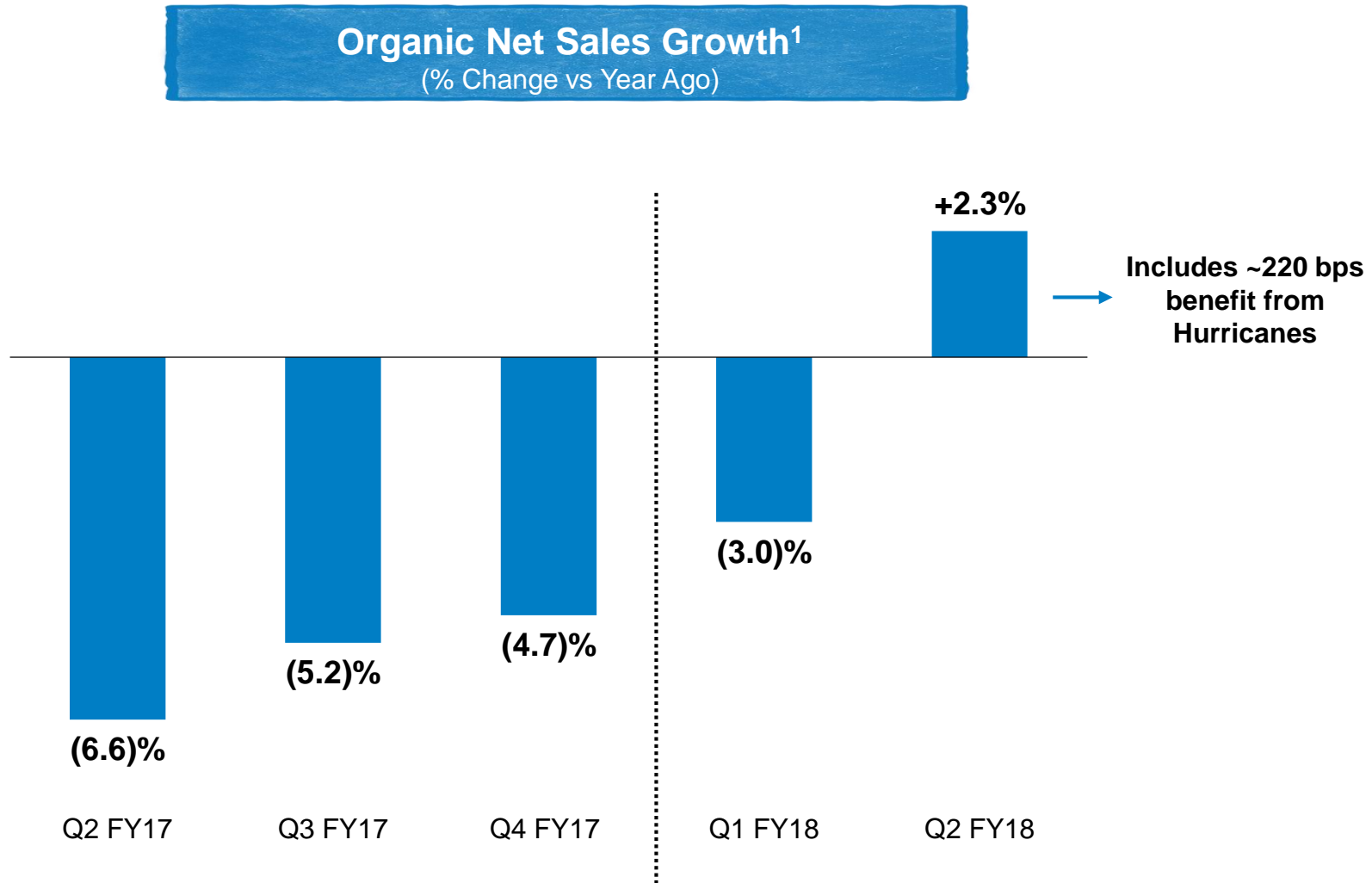
- Improve top-line
- Expand margins

FY19/20

- Accelerate growth
- Expand margins



Clear Top-Line Progress; Trends Accelerated



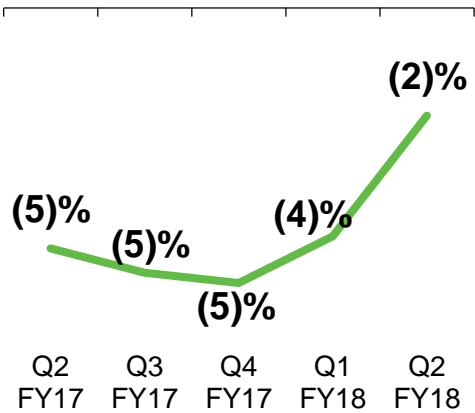
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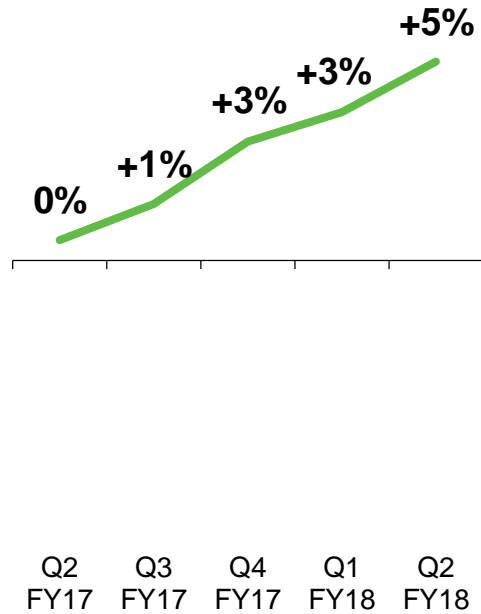
Higher Quality Revenue Base

Domestic Retail Scanner Data

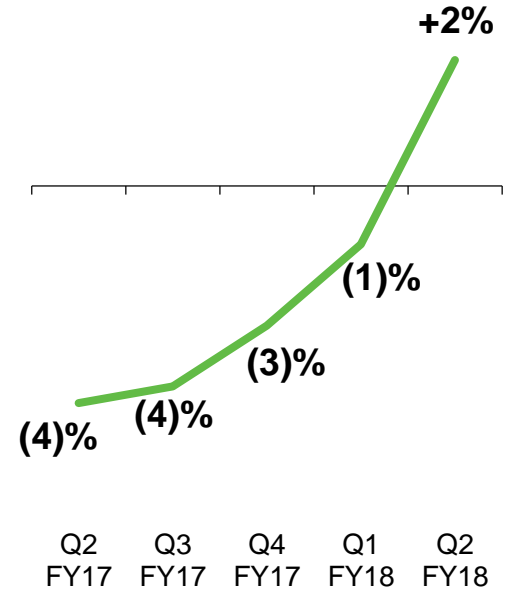
Avg. Weekly TPDs (% Change vs Year Ago)



Base Sales Velocity (% Change vs Year Ago)



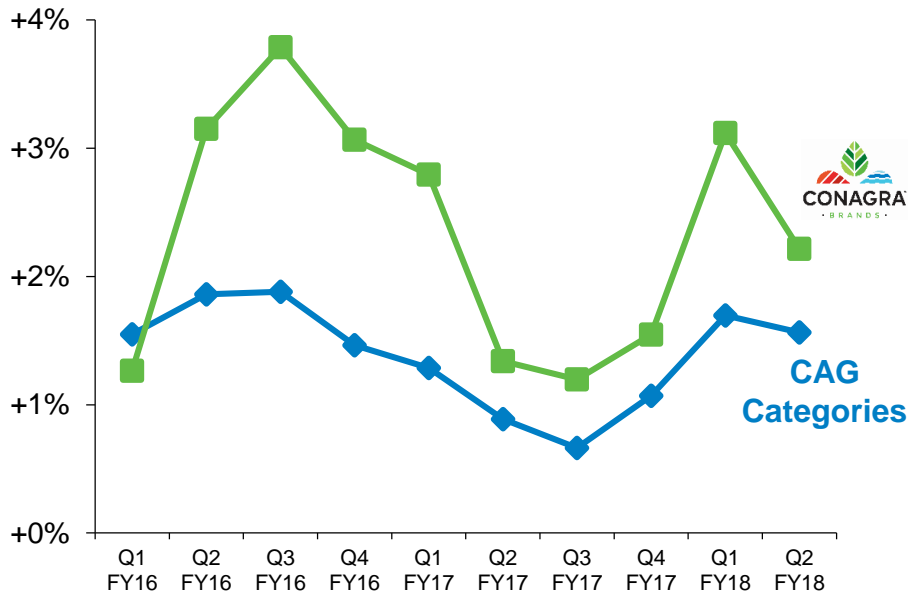
Base Dollar Sales (% Change vs Year Ago)



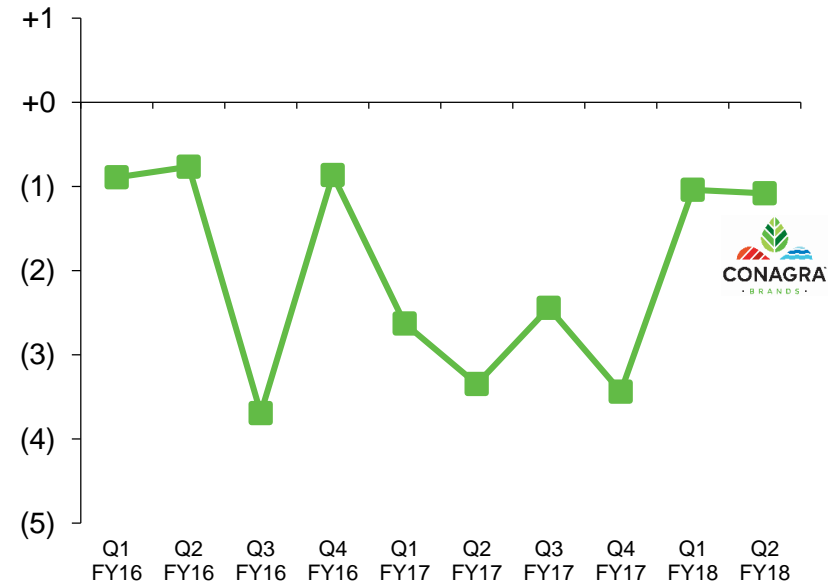


Higher Quality Revenue Base

Domestic Retail Average Unit Price
(% Change vs Year Ago)



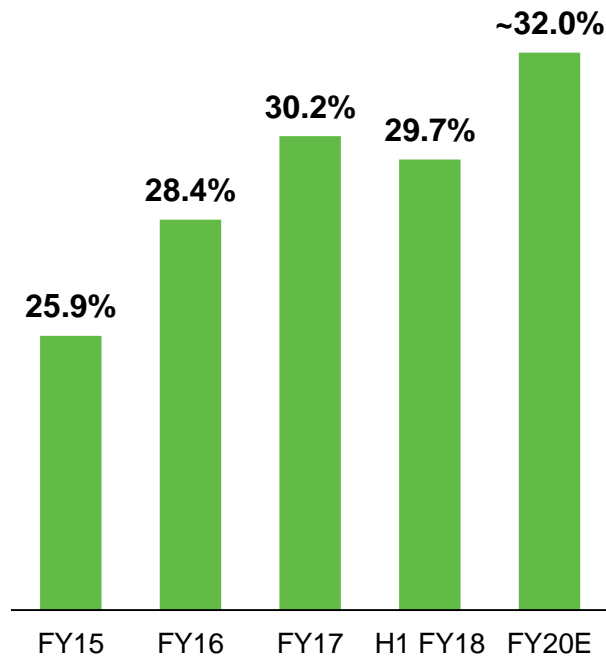
% Sold on Promotion
(Percentage Point Change vs Year Ago)



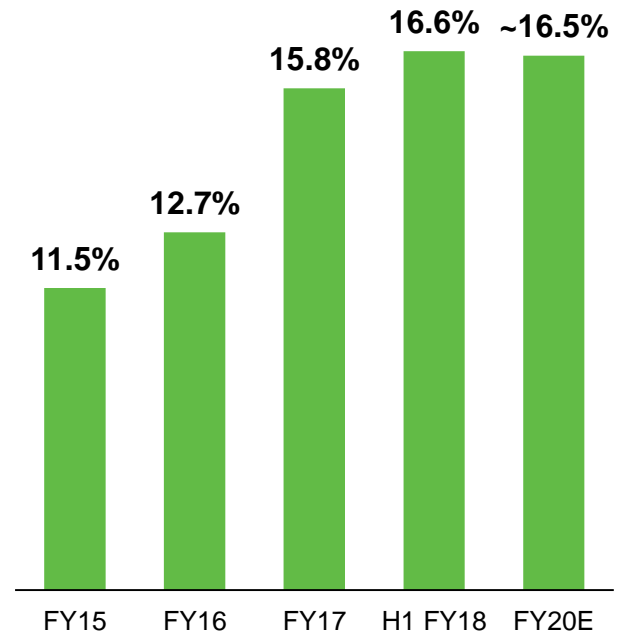


On Track With Margin Goals

Adj. Gross Margin



Adj. Operating Margin¹



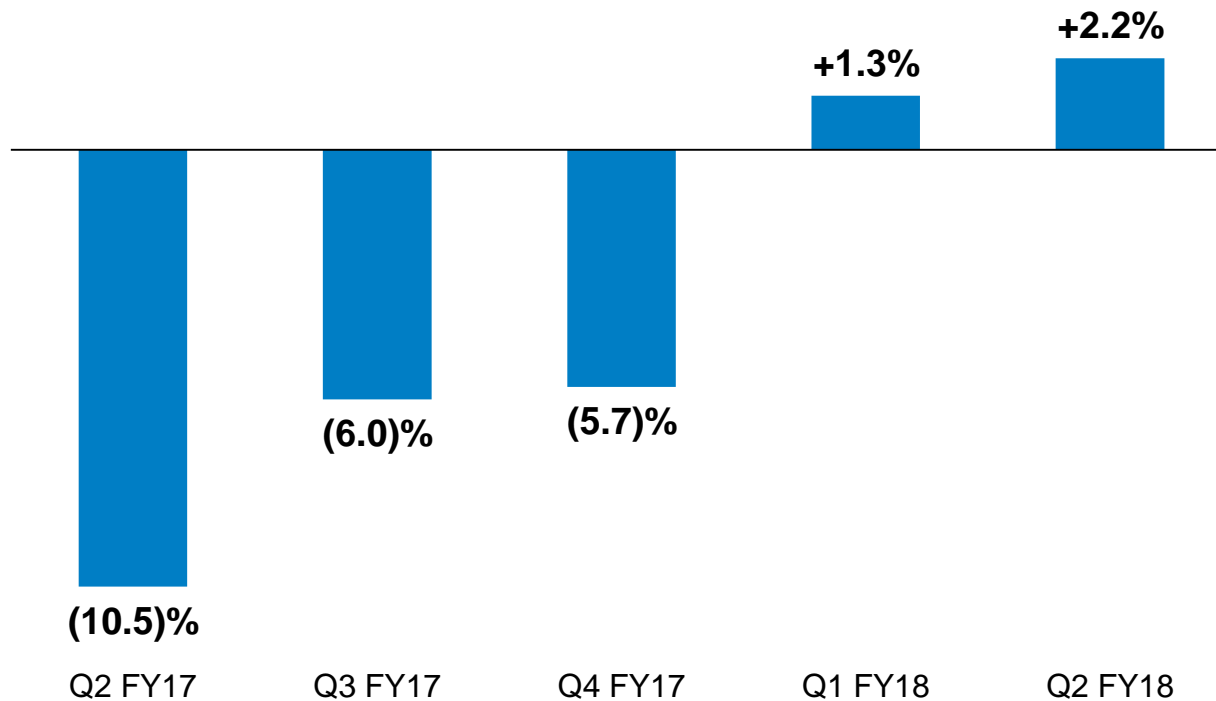
1. Adjusted operating margin excludes equity method investment earnings.

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



Refrigerated & Frozen Segment Continues Growth

Refrigerated & Frozen Organic Net Sales¹ (% Change vs Year Ago)



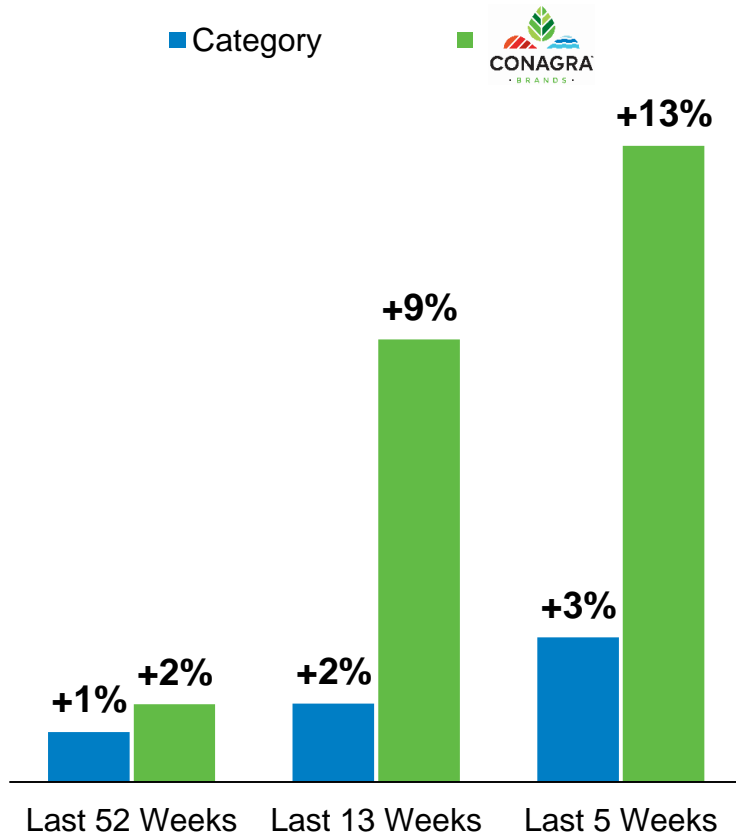
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Frozen Remains Strong; Banquet Returned to Growth

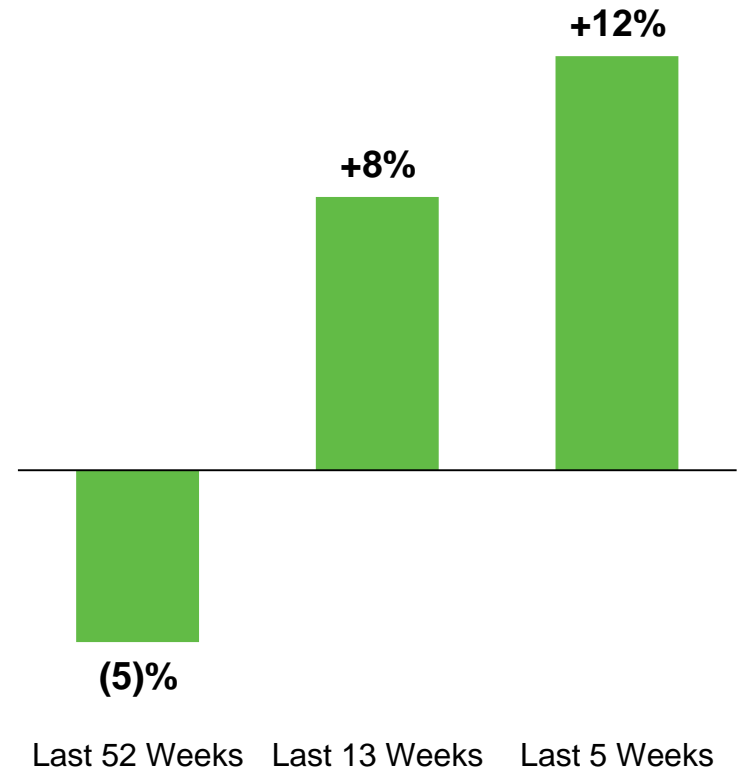
Frozen SSM¹ Retail Sales

(\$ Consumption, % Change vs Year Ago)



Banquet SSM¹ Retail Sales

(\$ Consumption, % Change vs Year Ago)



1. SSM stands for Single Serve Meals
Source: IRI MA POS data, TUS-MULO, data through November 26, 2017



First Wave of Innovation Performing Well

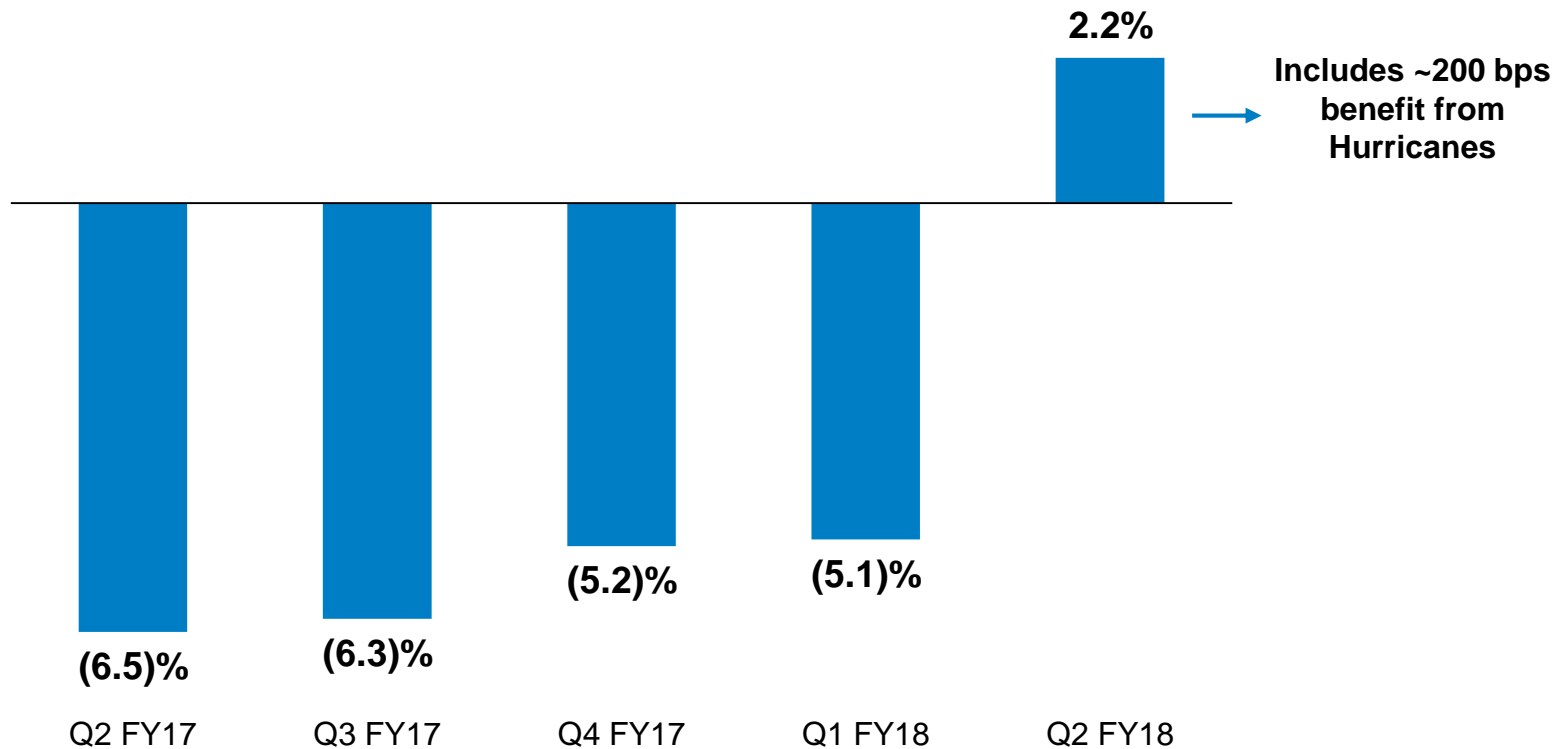
- Early results in-line with expectations
- Continuing to build distribution
- Bringing new consumers to categories
- Over-indexing to younger, higher-income consumers





Early Days in Grocery & Snacks

Grocery & Snacks Organic Net Sales¹ (% Change vs Year Ago)



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Note: Organic net sales growth is non-GAAP. See the end of this presentation for a reconciliation of this measure to the most directly comparable GAAP measure.

Strong Growth Potential in Snacks



Focused Grocery Portfolio Roles

Condiments/Enhancers



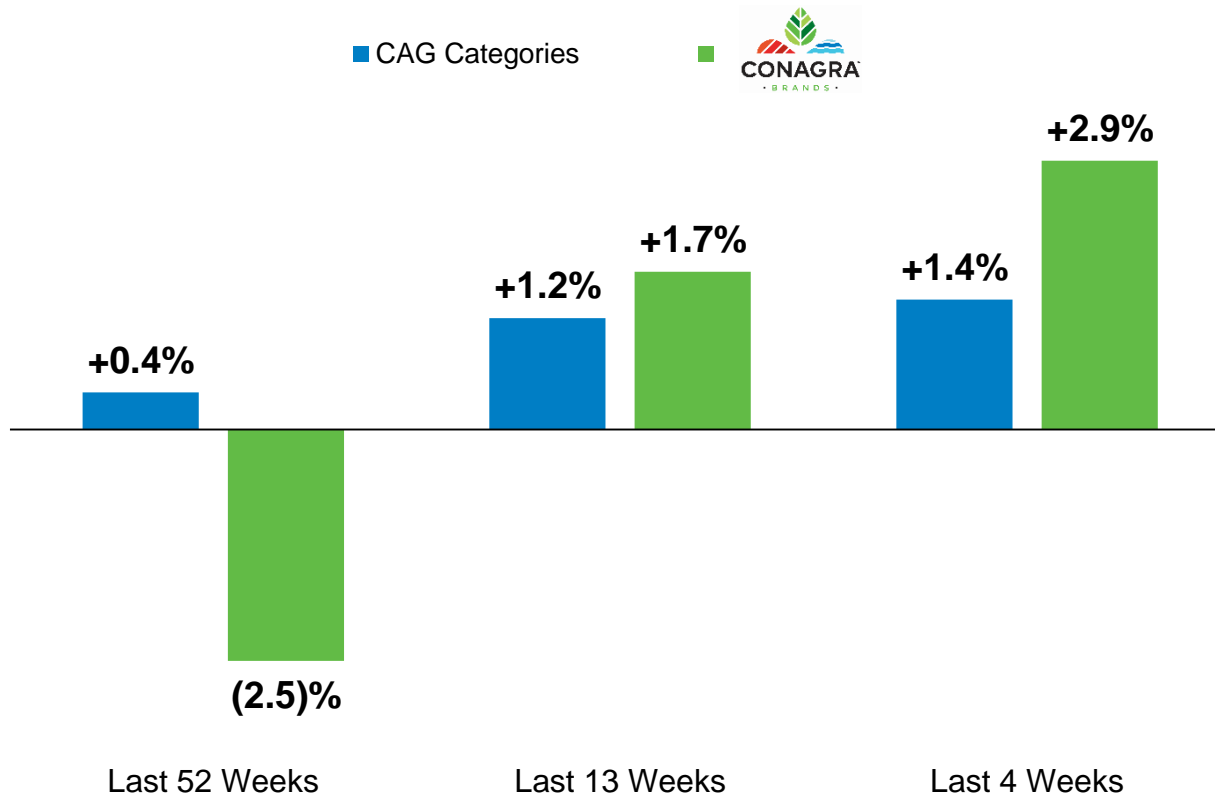
Shelf Stable Meals/Sides





Growing Share Across Portfolio

Domestic Retail Sales (% Change vs Prior Year Period)



Reshaping and Modernizing Portfolio via Value-Creating Transactions

Acquisitions



Pending



Divestitures/Spin-Off



Further Bolstering Our Strategic Platforms



Pending





Looking Ahead

- New innovation continues to build momentum
- Continue to support growth through disciplined, strategic investments
- Continue to focus on executional excellence to manage through inflationary environment
- Continue to re-shape portfolio via disciplined M&A
- Deliver updated FY18 guidance



Dave Marberger

Chief Financial Officer



Performance Summary

Dollars in millions, except per share data Increase/(Decrease)	Q2 FY18	Q2 FY17	vs YA
Net Sales	\$2,173	\$2,088	+4.1%
Organic Net Sales ¹			+2.3%
Adj. Gross Profit	655	650	+0.7%
Adj. Gross Margin	30.1%	31.1%	(101) bps
A&P	86	97	(11.7)%
A&P % of NS	4.0%	4.7%	(71) bps
Adj. SG&A	206	198	+4.1%
Adj. SG&A as % of NS	9.5%	9.5%	+1 bps
Adj. Op. Profit ²	363	355	+2.2%
Adj. Op. Margin ²	16.7%	17.0%	(31) bps
Adj. Diluted EPS from cont. ops.	\$0.55	\$0.49	+12.2%

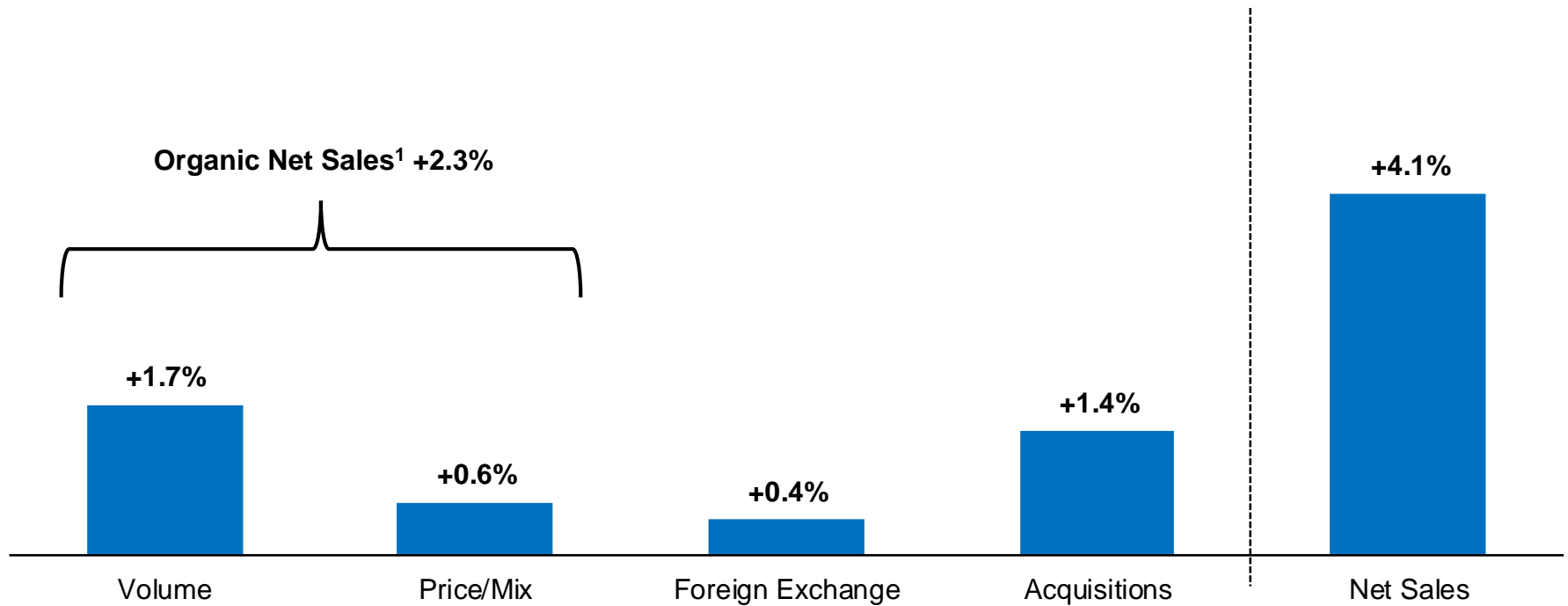
1. Organic net sales excludes the impact of foreign exchange and divested businesses, as well as acquisitions (until the anniversary date of the acquisitions).

2. Adjusted operating profit and adjusted operating margin exclude equity method investment earnings.

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



Q2 Net Sales Bridge vs YA



1. Organic net sales excludes the impact of foreign exchange and divested businesses, as well as acquisitions (until the anniversary date of the acquisitions). Note: Organic net sales is non-GAAP. See the end of this presentation for a reconciliation of this measure to the most directly comparable GAAP measure.



Q2 Financial Summary by Segment

Dollars in millions, Increase/(Decrease)	Net Sales			Adj. Op. Profit ¹		Adj. Op Margin ¹	
	Q2 FY18	Reported vs YA	Organic ² vs YA	Q2 FY18	vs YA	Q2 FY18	vs YA
Grocery & Snacks	\$900	+5.5%	+2.2%	\$212	(4.5)%	23.5%	(246) bps
Refrigerated & Frozen	758	+2.3%	+2.2%	128	+6.9%	16.9%	+72 bps
International	220	+4.2%	+0.2%	21	+19.9%	9.6%	+126 bps
Foodservice	295	+4.1%	+4.1%	47	+48.4%	16.1%	+481 bps
Corporate Expense	-	-	-	(46)	+26.7%	-	-
Total	\$2,173	+4.1%	+2.3%	\$363	+2.2%	16.7%	(31) bps

1. Adjusted operating profit and adjusted operating margin exclude equity method investment earnings.

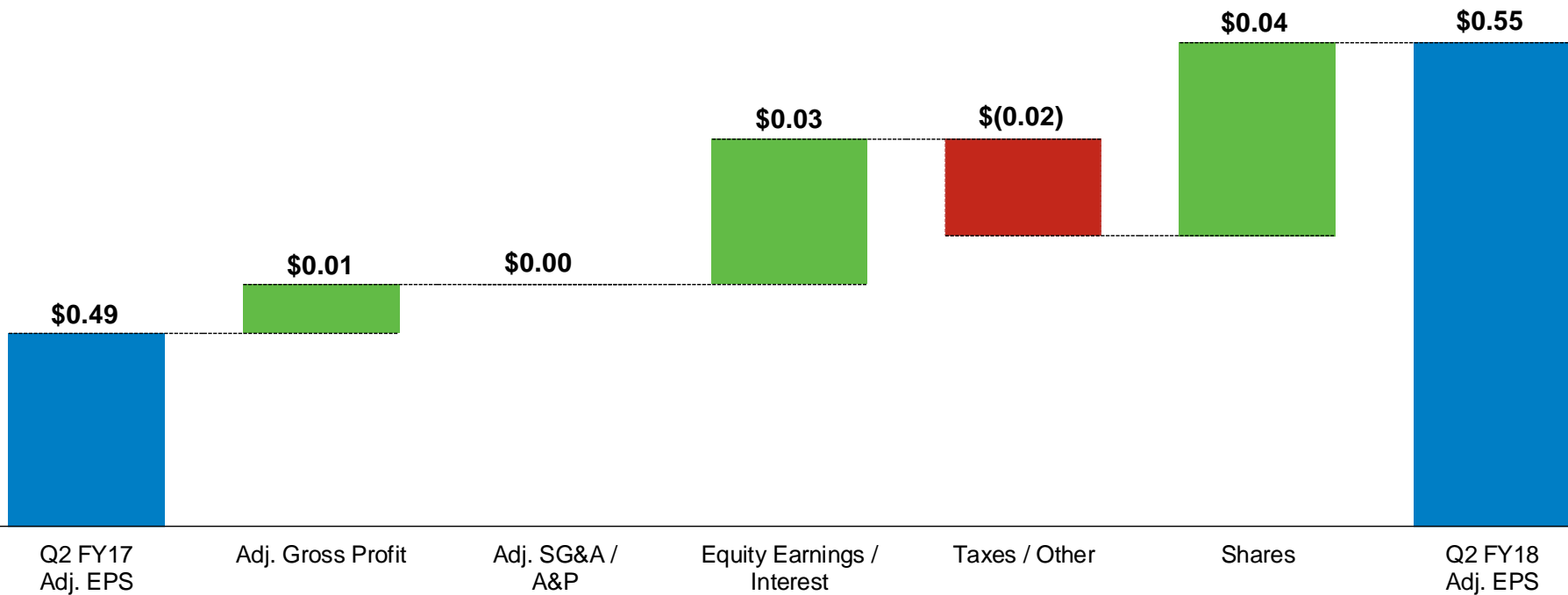
2. Organic net sales excludes the impact of foreign exchange and divested businesses, as well as acquisitions (until the anniversary date of the acquisitions).

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



Adj. EPS Bridge

FY18 Drivers of Adj. Diluted EPS From Cont. Ops. vs YA





Key Balance Sheet & Cash Flow Metrics

YTD through Q2 (dollars in millions)	FY18	FY17
Net Cash Flow from Operating Activities – cont. ops.	\$383	\$461
Capital Expenditures	\$102	\$118
Dividends Paid	\$172	\$219
Share Repurchases	\$580	\$170

(dollars in millions)	November 26, 2017	May 28, 2017
Debt	\$3,528	\$2,996
Cash	84	251
Ending Net Debt	\$3,444	\$2,745

Note 1: 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 2: Trade Working Capital is Receivables plus Inventories less Accounts Payable.



FY18 Outlook^{1,2}

Key Financial Metrics	Prior	Updated
Organic Net Sales Growth ³	(2)% to Flat	Near high end of range
Reported Net Sales Growth	(2)% to Flat	100-150 bps higher than organic growth
Adj. Op. Margin ⁴	15.9% to 16.3%	Near low end of range
Effective Tax Rate ⁵	32.5% to 33.5%	33.5% to 34.5%
Adj. Diluted EPS from cont. ops.	\$1.84 to \$1.89	Near high end of range
Share Repurchases ⁶	\$1.1 billion	\$1.1 billion
Inflation Rate	3.3%	3.7%

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 are non-GAAP financial measures. The FY18 Outlook includes the Wesson oil business for the full fiscal year.
3. Organic net sales excludes the impact of foreign exchange and divested businesses, as well as acquisitions (until the anniversary date of the acquisitions).
4. Adjusted operating margin excludes equity method investment earnings.
5. This estimate excludes any potential impact from pending federal tax legislation.
6. Subject to market and other conditions. Assumes no large synergistic acquisitions.



Summary

- Strong Q2 results
- Continuing to make progress on improving top line trends
- Continuing to manage through inflationary environment
- Strong balance sheet
- Updating FY18 guidance



Q&A



Reconciliation Tables

Reconciliation of organic net sales

Q2 FY18 (Dollars in millions)	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Total Conagra Brands
Net Sales	\$ 900.4	\$ 758.1	\$ 220.3	\$ 294.6	\$ 2,173.4
Impact of foreign exchange	-	-	(8.5)	-	(8.5)
Net sales from acquired businesses	(28.4)	(1.1)	-	-	(29.5)
Organic Net Sales	<u>\$ 872.0</u>	<u>\$ 757.0</u>	<u>\$ 211.8</u>	<u>\$ 294.6</u>	<u>\$ 2,135.4</u>

Q2 FY17 (Dollars in millions)	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Total Conagra Brands
Net Sales	\$ 853.2	\$ 740.7	\$ 211.4	\$ 283.1	\$ 2,088.4
Net sales from divested businesses	-	-	-	-	-
Organic Net Sales	<u>\$ 853.2</u>	<u>\$ 740.7</u>	<u>\$ 211.4</u>	<u>\$ 283.1</u>	<u>\$ 2,088.4</u>

% Change	Grocery & Snacks	Refrigerated & Frozen	International	Foodservice	Total Conagra Brands
Net Sales	5.5%	2.3%	4.2%	4.1%	4.1%
Impact of foreign exchange (pp)	-	-	(4.0)	-	(0.4)
Net sales from acquired businesses (pp)	(3.3)	(0.1)	-	-	(1.4)
Net sales from divested businesses (pp)	-	-	-	-	-
Organic Net Sales Growth	<u>2.2%</u>	<u>2.2%</u>	<u>0.2%</u>	<u>4.1%</u>	<u>2.3%</u>

Volume (Organic)	3.4%	3.9%	(2.1)%	(7.1)%	1.7%
Price/Mix	(1.2)%	(1.7)%	2.3%	11.2%	0.6%

Reconciliation of organic net sales

	Total Conagra Brands
Q1 FY18 (Dollars in millions)	
Net Sales	\$ 1,804.2
Impact of foreign exchange	(3.2)
Net sales from acquired businesses	(31.0)
Organic Net Sales	<u>\$ 1,770.0</u>
Q1 FY17 (Dollars in millions)	
Net Sales	\$ 1,895.6
Net sales from divested businesses	(71.1)
Organic Net Sales	<u>\$ 1,824.5</u>
% Change	
Net Sales	(4.8)%
Impact of foreign exchange (pp)	(0.2)
Net sales from acquired businesses (pp)	(1.6)
Net sales from divested businesses (pp)	3.6
Organic Net Sales Growth	<u>(3.0)%</u>

Reconciliation of organic net sales

FY17 (Dollars in millions)	Q2	Q3	Q4
Net Sales	\$ 2,088.4	\$ 1,981.2	\$ 1,861.7
Impact of foreign exchange	8.9	3.8	6.0
Net sales from acquired businesses	(6.4)	(8.6)	(21.5)
Organic Net Sales	<u>\$ 2,090.9</u>	<u>\$ 1,976.4</u>	<u>\$ 1,846.2</u>
FY16 YTD (Dollars in millions)	Q2	Q3	Q4
Net Sales	\$ 2,358.8	\$ 2,199.3	\$ 2,053.0
Net sales from divested businesses	(119.5)	(114.1)	(116.5)
Organic Net Sales	<u>\$ 2,239.3</u>	<u>\$ 2,085.2</u>	<u>\$ 1,936.5</u>
% Change	Q2	Q3	Q4
Net Sales	(11.5)%	(9.9)%	(9.3)%
Impact of foreign exchange (pp)	0.3	0.1	0.2
Net sales from acquired businesses (pp)	(0.4)	(0.5)	(1.2)
Net sales from divested businesses (pp)	5.0	5.1	5.6
Organic Net Sales Growth	<u>(6.6)%</u>	<u>(5.2)%</u>	<u>(4.7)%</u>

Reconciliation of Grocery & Snacks organic net sales

FY17 (Dollars in millions)	Q2	Q3	Q4
Net Sales	\$ 853.2	\$ 849.0	\$ 749.4
Net sales from acquired businesses	(5.7)	(7.6)	(17.3)
Organic Net Sales	<u>\$ 847.5</u>	<u>\$ 841.4</u>	<u>\$ 732.1</u>

FY16 (Dollars in millions)	Q2	Q3	Q4
Net Sales	\$ 906.1	\$ 898.0	\$ 772.5
Net sales from divested businesses	-	-	-
Organic Net Sales	<u>\$ 906.1</u>	<u>\$ 898.0</u>	<u>\$ 772.5</u>

% Change	Q2	Q3	Q4
Net Sales	(5.8)%	(5.5)%	(3.0)%
Net sales from acquired businesses (pp)	(0.7)	(0.8)	(2.2)
Net sales from divested businesses (pp)	-	-	-
Organic Net Sales Growth	<u>(6.5)%</u>	<u>(6.3)%</u>	<u>(5.2)%</u>

FY18 (Dollars in millions)	Q1	Q2
Net Sales	\$ 745.8	\$ 900.4
Net sales from acquired businesses	(27.6)	(28.4)
Organic Net Sales	<u>\$ 718.2</u>	<u>\$ 872.0</u>

FY17 (Dollars in millions)	Q1	Q2
Net Sales	\$ 757.2	\$ 853.2
Net sales from divested businesses	-	-
Organic Net Sales	<u>\$ 757.2</u>	<u>\$ 853.2</u>

% Change	Q1	Q2
Net Sales	(1.5)%	5.5%
Net sales from acquired businesses (pp)	(3.6)	(3.3)
Net sales from divested businesses (pp)	-	-
Organic Net Sales Growth	<u>(5.1)%</u>	<u>2.2%</u>

Reconciliation of Refrigerated & Frozen organic net sales

FY17 (Dollars in millions)	Q2	Q3	Q4
Net Sales	\$ 740.7	\$ 667.2	\$ 640.2
Net sales from acquired businesses	(0.7)	(0.9)	(4.2)
Organic Net Sales	<u>\$ 740.0</u>	<u>\$ 666.3</u>	<u>\$ 636.0</u>

FY16 (Dollars in millions)	Q2	Q3	Q4
Net Sales	\$ 826.8	\$ 708.9	\$ 674.5
Net sales from divested businesses	-	-	-
Organic Net Sales	<u>\$ 826.8</u>	<u>\$ 708.9</u>	<u>\$ 674.5</u>

% Change	Q2	Q3	Q4
Net Sales	(10.4)%	(5.9)%	(5.1)%
Net sales from acquired businesses (pp)	(0.1)	(0.1)	(0.6)
Net sales from divested businesses (pp)	-	-	-
Organic Net Sales Growth	<u>(10.5)%</u>	<u>(6.0)%</u>	<u>(5.7)%</u>

FY18 (Dollars in millions)	Q1	Q2
Net Sales	\$ 615.7	\$ 758.1
Net sales from acquired businesses	(3.4)	(1.1)
Organic Net Sales	<u>\$ 612.3</u>	<u>\$ 757.0</u>

FY17 (Dollars in millions)	Q1	Q2
Net Sales	\$ 604.6	\$ 740.7
Net sales from divested businesses	-	-
Organic Net Sales	<u>\$ 604.6</u>	<u>\$ 740.7</u>

% Change	Q1	Q2
Net Sales	1.8%	2.3%
Net sales from acquired businesses (pp)	(0.5)	(0.1)
Net sales from divested businesses (pp)	-	-
Organic Net Sales Growth	<u>1.3%</u>	<u>2.2%</u>

Reconciliation of Adjusted Gross Profit and Adjusted Gross Margin

(dollars in millions)

	<u>FY 18 Q2</u>	<u>FY 17 Q2</u>	<u>FY 18 Q2 YTD</u>	<u>FY 17 Q2 YTD</u>	<u>FY 17 Q4 YTD</u>	<u>FY 16 Q4 YTD</u>	<u>FY 15 Q4 YTD</u>
Net Sales	\$ 2,173.4	\$ 2,088.4	\$ 3,977.6	\$ 3,984.0	\$ 7,826.9	\$ 8,664.1	\$ 9,034.0
Gross Profit	\$ 658.3	\$ 647.5	\$ 1,177.3	\$ 1,192.1	\$ 2,342.1	\$ 2,429.2	\$ 2,296.2
Net expense related to restructuring plans	3.4	1.8	5.7	7.0	17.2	49.0	22.6
Corporate hedging derivative losses (gains)	(7.1)	0.8	(1.1)	0.1	5.1	(16.4)	24.6
Adjusted Gross Profit	<u>\$ 654.6</u>	<u>\$ 650.1</u>	<u>\$ 1,181.9</u>	<u>\$ 1,199.2</u>	<u>\$ 2,364.4</u>	<u>\$ 2,461.8</u>	<u>\$ 2,343.4</u>
Gross Margin	30.3%	31.0%	29.6%	29.9%	29.9%	28.0%	25.4%
Year-over-year change in Gross Margin							
Adjusted Gross Margin	30.1%	31.1%	29.7%	30.1%	30.2%	28.4%	25.9%
Year-over-year change in Adjusted Gross Margin			(101) bps				
Year-over-year % change in Adjusted Gross Margin			0.7%				(1.4)%

Reconciliation of Adjusted Operating Profit and Adjusted Operating Margin

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)

	FY 18 Q2	FY 17 Q2	FY 18 Q2 YTD	FY 17 Q2 YTD	FY 17 Q4 YTD	FY 16 Q4 YTD	FY 15 Q4 YTD
Income from continuing operations before income taxes and equity method investment earnings							
Interest expense, net	\$ 313.0	\$ 175.5	\$ 556.6	\$ 430.2	\$ 729.5	\$ 108.8	\$ 584.6
	38.0	54.1	74.4	112.3	195.5	295.8	328.2
Company operating profit	\$ 351.0	\$ 229.6	\$ 631.0	\$ 542.5	\$ 925.0	\$ 404.6	\$ 912.8
General corporate expense	44.9	113.3	85.1	148.9	313.3	818.5	296.6
Segment operating profit	\$ 395.9	\$ 342.9	\$ 716.1	\$ 691.4	\$ 1,238.3	\$ 1,223.1	\$ 1,209.4

(dollars in millions)

	FY 18 Q2	FY 17 Q2	FY 18 Q2 YTD	FY 17 Q2 YTD	FY 17 Q4 YTD	FY 16 Q4 YTD	FY 15 Q4 YTD
Company operating profit	\$ 351.0	\$ 229.6	\$ 631.0	\$ 542.5	\$ 925.0	\$ 404.6	\$ 912.8
Adjustment to the gain on sale of Spicetec and J.M. Swank businesses	-	0.5	-	(197.7)	(197.4)	-	-
Net expense related to restructuring plans	7.1	19.8	18.5	33.9	63.6	281.8	47.7
Net expense related to goodwill and intangible impairment charges	-	43.9	-	207.5	304.2	50.1	25.7
Net expense related to acquisitions and planned divestitures	7.8	-	8.6	-	31.4	-	-
Net expense related to early extinguishment of debt	-	60.6	-	60.6	93.3	23.9	24.6
Net expense related to salaried Pension Plan Lump Sum Settlement	-	-	-	-	13.8	-	-
Net expense related to pension valuation adjustment	4.1	-	4.1	-	-	348.5	6.9
Net expense (benefit) related to legal matters	-	-	-	-	(5.7)	5.0	(7.0)
Corporate hedging derivative losses (gains)	(7.1)	0.8	(1.1)	0.1	5.1	(16.4)	24.6
Net expense related to integration of former Ralcorp business							5.0
Adjusted company operating profit	\$ 362.9	\$ 355.2	\$ 661.1	\$ 646.9	\$ 1,233.3	\$ 1,097.5	\$ 1,040.3
Adjusted company adjusted company operating margin	16.7%	17.0%	16.6%	16.2%	15.8%	12.7%	11.5%
Year-over-year change in adjusted company operating profit	2.2%		2.2%				
Year-over-year change in adjusted company operating margin			(31) bps				38 bps

Adjusted operating margin (Adjusted operating profit / Net Sales)

Grocery & Snacks Segment operating profit reconciliation

(dollars in millions)	FY 18 Q2	FY 17 Q2
Grocery & Snacks Segment operating profit	199.8	220.2
Net expense related to restructuring plans	4.0	1.4
Net expense related to acquisitions and planned divestitures	7.8	-
Adjusted Grocery & Snacks operating Profit	<u>\$ 211.6</u>	<u>\$ 221.6</u>
Adjusted Grocery & Snacks operating margin	23.5%	26.0%
Year-over-year change in profit	(4.5)%	
Year-over-year change in margin	(246) bps	

Refrigerated & Frozen Segment operating profit reconciliation

(dollars in millions)	FY 18 Q2	FY 17 Q2
Refrigerated & Frozen Segment operating profit	\$ 128.5	\$ 118.0
Net expense related to restructuring plans	-	2.2
Adjusted Refrigerated & Frozen operating Profit	<u>\$ 128.5</u>	<u>\$ 120.2</u>
Adjusted Refrigerated & Frozen operating margin	16.9%	16.2%
Year-over-year change in profit	6.9%	
Year-over-year change in margin	72 bps	

International Segment operating profit reconciliation

(dollars in millions)	FY 18 Q2	FY 17 Q2
International Segment operating profit (loss)	\$ 20.2	\$ (26.7)
Net expense related to restructuring plans	0.9	0.4
Net expense related to goodwill and intangible impairment charges	-	43.9
Adjusted International operating Profit	<u>\$ 21.1</u>	<u>\$ 17.6</u>
Adjusted International operating margin	9.6%	8.3%
Year-over-year change in profit	19.9%	
Year-over-year change in margin	126 bps	

Foodservice Segment operating profit reconciliation

	FY 18 Q2	FY 17 Q2
(dollars in millions)		
Foodservice Segment operating profit	\$ 47.4	\$ 31.9
Net expense related to restructuring plans	-	-
Adjusted Foodservice operating Profit	<u>\$ 47.4</u>	<u>\$ 31.9</u>
Adjusted Foodservice operating margin	16.1%	11.3%
Year-over-year change in profit	48.4%	
Year-over-year change in margin	481 bps	

Commercial Segment operating profit reconciliation

	FY 18 Q2	FY 17 Q2
(dollars in millions)		
Commercial Segment operating profit	\$ -	\$ (0.5)
Adjustment to the gain on sale of Spicetec and J.M. Swank businesses	-	0.5
Adjusted Commercial operating Profit	<u>\$ -</u>	<u>\$ -</u>
Adjusted Commercial operating margin	0.0%	0.0%
Year-over-year change in profit	0.0%	

Corporate Expense Reconciliation

	FY 18 Q2	FY 17 Q2
(dollars in millions)		
Corporate Expense	\$ 44.9	\$ 113.3
Net expense related to restructuring plans	2.2	15.8
Net expense related to early extinguishment of debt	-	60.6
Net expense related to pension valuation adjustment	4.1	-
Corporate hedging derivative losses (gains)	(7.1)	0.8
Adjusted Corporate Expense	<u>\$ 45.7</u>	<u>\$ 36.1</u>
Year-over-year change	26.7%	

Reconciliation of Adjusted SG&A

(dollars in millions)

	FY 18 Q2	FY 17 Q2
Net Sales	\$ 2,173.4	\$ 2,088.4
Selling, general, and administrative (SG&A) expenses	\$ 307.3	\$ 417.9
Adjustment to the gain on sale of Spicetec and J.M. Swank businesses	-	0.5
Advertising and promotion expenses	86.0	97.4
Net expense related to restructuring plans	3.7	18.0
Net expense related to goodwill and intangible impairment charges	-	43.9
Net expense related to acquisitions and planned divestitures	7.8	-
Net expense related to early extinguishment of debt	-	60.6
Net expense related to pension valuation adjustment	4.1	-
Adjusted SG&A expenses	\$ 205.7	\$ 197.5
Year-over-year change	4.1%	
% of Net Sales	9.5%	9.5%
	1 bps	
A&P year-over-year change	(11.7)%	
A&P % of Net Sales	4.0%	4.7%
Year-over-year change in % of Net Sales	(71)bps	

Reconciliation of Adjusted Diluted EPS from continuing operations

	FY 18 Q2	FY 17 Q2
Diluted EPS from continuing operations	\$ 0.54	\$ 0.26
Adjustment to the gain on sale of Spicetec and J.M. Swank businesses	-	0.02
Net expense related to restructuring plans	0.01	0.03
Net expense related to acquisitions and planned divestitures	0.01	-
Net expense related to pension remeasurement	0.01	-
Net expense related to goodwill and intangible impairment charges	-	0.09
Net expense related to early extinguishment of debt	-	0.09
Corporate hedging derivative gains	(0.01)	-
Net benefit related to unusual tax items	(0.01)	-
Adjusted Diluted EPS from continuing operations	<u>\$ 0.55</u>	<u>\$ 0.49</u>
Year-over-year change		12.2%

Reconciliation of Adjusted Income Tax Expense from continuing operations

FY18 Q2

	Income from continuing operations	Income Tax Expense	Income from continuing operations before income taxes	Effective Tax Rate ¹
Reported	\$ 224.1	\$ 109.5	\$ 333.6	32.8%
Restructuring plans	4.6	2.5	7.1	
Costs Related to Acquisitions and Planned Divestitures	5.0	2.8	7.8	
Pension Remeasurement	2.5	1.6	4.1	
Corporate Hedging Derivative Losses	(4.4)	(2.7)	(7.1)	
Unusual tax items	(5.3)	5.3	-	
Adjusted	\$ 226.5	\$ 119.0	\$ 345.5	34.4%

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

FY17 Q2

	Income from continuing operations	Income Tax Expense	Income from continuing operations before income taxes	Effective Tax Rate ¹
Reported	\$ 114.3	\$ 78.4	\$ 192.7	40.7%
Total Restructuring Plans	12.9	6.9	19.8	
Adjustment to the gain on sale of Spicetec and J.M. Swank businesses	7.7	(7.2)	0.5	
Early Retirement of Debt	39.2	21.4	60.6	
Goodwill & intangible impairment charges	40.7	3.2	43.9	
Corporate Hedging Derivative Gains	0.5	0.3	0.8	
Adjusted	\$ 215.3	\$ 103.0	\$ 318.3	32.4%