Strong Today, Leading for Tomorrow
Consumer Analyst Group of New York (CAGNY)

February 21, 2017
Forward Looking Statements

Certain information contained in the press release may constitute forward-looking statements, such as statements relating to expected performance, and including, but not limited to, statements appearing in the “Outlook” section and statements relating to GAAP EPS guidance and adjusted EPS guidance. These forward-looking statements are subject to a number of factors and uncertainties which could cause our actual results and experiences to differ materially from the anticipated results and expectations expressed in such forward-looking statements. We wish to caution readers not to place undue reliance on any forward-looking statements, which speak only as of the date made. Among the factors that may cause actual results and experiences to differ from anticipated results and expectations expressed in such forward-looking statements are the following: (i) the effect of, or changes in, general economic conditions; (ii) fluctuations in the cost and availability of inputs and raw materials, such as live cattle, live swine, feed grains (including corn and soybean meal) and energy; (iii) market conditions for finished products, including competition from other global and domestic food processors, supply and pricing of competing products and alternative proteins and demand for alternative proteins; (iv) successful rationalization of existing facilities and operating efficiencies of the facilities; (v) risks associated with our commodity purchasing activities; (vi) access to foreign markets together with foreign economic conditions, including currency fluctuations, import/export restrictions and foreign politics; (vii) outbreak of a livestock disease (such as avian influenza (AI) or bovine spongiform encephalopathy (BSE)), which could have an adverse effect on livestock we own, the availability of livestock we purchase, consumer perception of certain protein products or our ability to access certain domestic and foreign markets; (viii) changes in availability and relative costs of labor and contract growers and our ability to maintain good relationships with employees, labor unions, contract growers and independent producers providing us livestock; (ix) issues related to food safety, including costs resulting from product recalls, regulatory compliance and any related claims or litigation; (x) changes in consumer preference and diets and our ability to identify and react to consumer trends; (xi) significant marketing plan changes by large customers or loss of one or more large customers; (xii) adverse results from litigation; (xiii) impacts on our operations caused by factors and forces beyond our control, such as natural disasters, fire, bioterrorism, pandemics or extreme weather; (xiv) risks associated with leverage, including cost increases due to rising interest rates or changes in debt ratings or outlook; (xv) compliance with and changes to regulations and laws (both domestic and foreign), including changes in accounting standards, tax laws, environmental laws, agricultural laws and occupational, health and safety laws; (xvi) our ability to make effective acquisitions or joint ventures and successfully integrate newly acquired businesses into existing operations; (xvii) cyber incidents, security breaches or other disruptions of our information technology systems; (xviii) effectiveness of advertising and marketing programs; and (xix) those factors listed under Item 1A. “Risk Factors” included in our Annual Report filed on Form 10-K for the period ended October 1, 2016.
TYSONS
FEED & HATCHERY
New Hampshire - White Crosses
BABY CHICKS EVERY DAY OF YEAR
SPRINGDALE 2 M.

[Image of a chicken]
AGENDA

1. STRONG TODAY, LEADING FOR TOMORROW
2. BUILDING A MODERN GROWTH PORTFOLIO
3. LEADING THE WAY IN FOOD SUSTAINABILITY
STRONG TODAY
LEADING FOR
TOMORROW
Consistent EPS Growth

FY16 Adjusted EPS* Growth
Up 39% vs. FY 2015

*Represents a non-GAAP financial measure. Adjusted EPS is explained and reconciled in the Appendix at “EPS Reconciliations.”

**Projected EPS guidance as of 2/06/17
Strong Cash Flow Fuels Growth

Operating Cash Flow ($ in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>$1,187</td>
</tr>
<tr>
<td>FY13</td>
<td>$1,314</td>
</tr>
<tr>
<td>FY14</td>
<td>$1,178</td>
</tr>
<tr>
<td>FY15</td>
<td>$2,570</td>
</tr>
<tr>
<td>FY16</td>
<td>$2,716</td>
</tr>
</tbody>
</table>

4-Year CAGR 23%
Rapid Deleveraging Positions Us for Growth

Favorable Net Debt/Adjusted EBITDA*

*Represents a non-GAAP financial measure. Net debt/adjusted EBITDA is explained and reconciled to a comparable GAAP measure in the Appendix.
**FY14 Net Debt/EBITDA was calculated on a pro forma basis due to the acquisition of Hillshire Brands in August 2014. See Appendix for reconciliation to GAAP measure.
***FY12, FY13 and FY16 represent net debt to EBITDA.
Unmatched Shareholder Return

Total Shareholder Return (TSR*) Last 3 years

*SOURCE: Bloomberg - This information should not be deemed to be “soliciting material” subject to regulation 14a or 14c or to the liabilities of Section 18 of the Securities Exchange Act of 1934
STRONG TODAY
Uniquely Positioned to Lead

CAPABILITY
Differentiated Capability
Aligned to Growing Demand Creates Advantage

OPPORTUNITY
Changing Consumers and Markets Create Opportunity

TSN

FIREPOWER
Business Model and Performance Create Firepower for Growth
Ready to Shape the Future
STRONG TODAY, LEADING FOR TOMORROW

Returns Through Purpose
STRONG TODAY, LEADING FOR TOMORROW

Tyson™
Sustainably feed the world with the fastest growing portfolio of protein packed brands
Sustainably feed the world with the fastest growing portfolio of protein packed brands

**Twin Engines of Growth**

- Growing our portfolio of protein packed brands
- Delivering sustainable food at scale

**Critical Enablers**

- Driving profitable growth with and for our customers through differentiated capabilities
- Creating fuel for reinvestment through a disciplined financial fitness model
A New Approach to Efficiency Will Fund Investments for Sustainable Growth

**REDUCE** waste across the entire company through Continuous Improvement

**ALLOCATE** financial and human capital to growth

**TRANSFORM** our business through technology
Aspiration for Value Creation

- Protein Packed Brands
- Financial Fitness Model
- Leveraging capabilities to drive profitable growth
- Bold commitment to sustainable food at scale

- Annual Value Added Volume Growth: +3%
- Annual EPS Growth: HSD
- Shared Value
- Share Repurchases
- Dividends

Total Shareholder Return
Top 1/3
### Superior Total Company Results Through Sharp Portfolio Roles

<table>
<thead>
<tr>
<th>Branded &amp; Value Added</th>
<th>Commodity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RETAIL</strong></td>
<td><strong>FOODSERVICE</strong></td>
</tr>
<tr>
<td>Grow above industry by investing in brand building, innovation and customer development</td>
<td>Grow above industry and expand margins through customer partnership, differentiation and competitive costs</td>
</tr>
</tbody>
</table>
Proven Leadership Team Aligned to Deliver Against Our Strategy

Designed to Elevate Focus on

CONSUMERS  
CUSTOMERS  
SUSTAINABILITY  
TECHNOLOGY
STRONG TODAY, LEADING FOR TOMORROW

A Simple Framework for M&A

New Brands
New Capabilities
New Geographies

IDEAL
Strong Today, Leading for Tomorrow

- Strong Financials
- Unique Position
- Purpose Driven
- Clear Strategy
- Future Focused Team
BUILDING A MODERN GROWTH PORTFOLIO
Modern Growth Portfolio

- Advantaged Spaces
- Differentiated Capabilities
- Multiple Models
- Brand Portfolio
A GROWTH Business with Attractive Financials

BILLION $ BRANDS
- Tyson
- Jimmy Dean
- Hillshire Farm

ESTABLISHED ICONS
- Ball Park
- aidells
- State Fair
- Wright Brand

EMERGING
- Nudges
- Nature Select Farms
- Golden Island

Retail Brands

High Growth

High Margin
Protein Provides a Powerful Tailwind

54% of people are adding and/or increasing protein in their diets

#1 Desired Health & Wellness Attribute

- Good Source of Protein: 43%
- All-Natural Ingredients: 40%
- Good Source of Vitamins & Minerals: 30%
- No Trans-fats: 36%
- Low in Sodium: 30%

1Source: Source: Hartman Health & Wellness 2015
2Source: Desirability of Health and Wellness Attributes - Datassential CPP Protein 2015
Large Spaces in Which to Play

Packaged Protein

$98B

Packaged Meat CAGR

1.7X

1Source: IRI Total US - Multi Outlet, Latest 52 Weeks Ending 01-15-17
2Source: 4yr CAGR IRI Total US - Multi Outlet, Latest 52 Weeks Ending 01-15-17
Large Spaces in Which to Play

RETAIL
Fresh Meat¹

$46B

Unbranded

Branded

Value Added

¹Source: Nielsen Perishables Universe; 52 Weeks Ending 12/31/16 = $31B, Estimate 67% coverage of total retail market
Large Spaces in Which to Play

CONSUMER FRESH GOODS
Opportunity in Current Spaces

Building a Modern Growth Portfolio

Total Core 9 | Lunchmeat | Bacon | Hot Dogs | Breakfast Sausage | Smoked Sausage | Smoked Sausage | Frozen Prepared Chicken | Frozen Protein Breakfast | Frozen Corn Dogs
--- | --- | --- | --- | --- | --- | --- | --- | --- | ---
98% | 78% | 86% | 79% | 75% | 62% | 63% | 63% | 52% | 34% | 37%
30% | 30% | 7% | 30% | 26% | 28% | 5% | 23% | 21% | 10%

SOURCE: IRI a) National Consumer Panel for 52 weeks ending 1/22/17 b) Total US Multi-Outlet for 52 weeks ending 1/15/17 *Within branded stack pack bacon **Within super-premium smoked sausage segment
As Well as Unlock New Businesses
BUILDING A MODERN GROWTH PORTFOLIO

A Repeatable Model Creates a Fresh Story in Frozen
This Approach Delivers Proven Results

Volume sales % change among top 10 branded food companies > $5B

- 6.6%
- 6.3%
- 0.5%

Core 9 Total
Tyson Tyson

Total Food & Bev. -1.0%

MARS -2.4%
Kellogg's -2.7%
Nestlé -3.1%
Campbell's -3.4%
Kraft/Heinz -3.4%
ConAgra Foods -7.0%
General Mills -9.6%
Mondelez International -9.9%

Source: IRI Total U.S. Multi-Outlet (x Costco) Volume Sales 13 weeks ending 1/15/2017
Product = Total Edible + Pet Food, Tyson = Tyson + Nature Raised Farms
BUILDING A MODERN GROWTH PORTFOLIO

Through Healthy Growth

Volume sales % change among top 10 branded food companies > $5B

6.6% 6.3%

HHs Buying: +1PT Amount Each HH Buys: +6%

Core 9 Total

Total Food & Bev. -1.0% -2.4% -2.7% -3.1% -3.4% -3.4% -7.0% -9.6% -9.9%

Source: IRI Total U.S. Multi-Outlet (x Costco) Volume Sales 13 weeks ending 1/15/2017
Product = Total Edible + Pet Food, Tyson = Tyson + Nature Raised Farms
Consumer Panel: IRI Consumer Panel 52 weeks ending 1/22/2017
That is Recognized Within and Beyond Our Industry

#1 Large Food & Beverage Growth Performer

Based upon composite growth index

2016 Rankings: Several companies are new to the leader board

Large companies
1. RAK
2. Johnson & Johnson (& Vogue)
3. Tyson
4. Bimbo
5. Mars
6. Kimberly-Clark (& Ripple)
7. Pepsico
8. Altria

Midsize companies
1. Chobani
2. Nestle (Hostess)
3. Energizer
4. Constellation Brands
5. Starbucks
6. Danone
7. The Wonderful Company
8. Monster
9. Danone

Small companies
1. Bodyarmor Superdrink
2. Idahoan
3. Bragg
4. Bai
5. Daisy's Dairy
6. California Sushi
7. Nosa
8. Pete & Gerry's

New to list versus 2015

Note: M&A accounted for in company size categorization. Small: <$1B, medium: $1B–$5.5B, large: >$5.5B sales in 2016; excludes PL sales
Source: IRI IBD POS database, 2011–2016, RLG+C. IRI Consulting & BCG analysis
Growth Demands Multi-Dimensional Innovation

FRESH  FLEXIBLE  FUNCTIONAL
FRESH

The Perimeter of the Store is OUR Center

74% of supermarket annual revenue growth is in fresh, unpackaged foods


2011 2012 2013 2014 2015

+67% perimeter-only trips since 2012

57% of consumers prefer “less chemicals / processed ingredients”

SOURCE: Videomining Custom Research, 2015

SOURCE: Canadean, 2015
FLEXIBLE FORMS

On Demand Eating

Evolution of Daily Eating Habits

OLD

BREAKFAST
LUNCH
DINNER

NEW

SNACK
MINI-MEAL
SNACK
SNACK
MINI-MEAL
SNACK

90% of consumers snack multiple times throughout the day
8% Only 8% of adults did NOT snack in the last 24 hours

**FUNCTIONAL**

**Complete Protein**

Not All Protein is Equal

<table>
<thead>
<tr>
<th></th>
<th>CHICKEN</th>
<th>&gt;4 CUPS SOYMILK</th>
<th>&gt;18 CUPS CHICKPEAS</th>
<th>&gt;25 SLICES WHEAT BREAD</th>
<th>&gt;50 TABLESPOONS PEANUT BUTTER</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOURCE</td>
<td>Nancy Rodriguez PhD, RDN</td>
<td>IFC Food &amp; Health Survey 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
This Approach is Behind the Success of Recent Launches
Innovation Performance

Tyson Foods Retail New Product Vitality

FY14: 12%
FY16: 14%

FY14-FY16 Innovation Net Revenue Growth

+21%

SOURCE: Internal financials
Innovation Areas

- Consumer Fresh Goods
- Fresh Take on Breakfast
- Keeping Core 9 Fresh
THE INSIGHT
Culinary adventures can be daunting

THE ADVANTAGE
A curated dinner experience made fresh and easy at home
BUILDING A MODERN GROWTH PORTFOLIO

Tyson Tastemakers™ at Retail
# CFG: Ground Fresh Poultry

## Large Fresh Category

- Fresh Ground Poultry
  - 52wk $ Sales

## With Room for Chicken

- Fresh Ground Poultry
  - $ Sales by Type
  - 9%
- Fresh Poultry
  - $ Sales by Type
  - 86%

## And Poultry’s Leading Brand

- Tyson

64% Fresh Ground Poultry $s are generated by Private Label and Brands with <10% Share

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1SOURCE: Nielsen Perishables 52wks ending 12/31/16
Tyson®

Ground Chicken

THE INSIGHT

Chicken is America’s favorite protein, but it has yet to make in roads into one of meat’s favorite forms.

THE ADVANTAGE

Lean, All natural ground chicken with…

No Antibiotics Ever!
Building a Trusted Brand in China

THE INSIGHT
Sensitive to issues of safety, Chinese consumers desire assurance that their food is healthy and safe.

THE ADVANTAGE
Embedded QR Code traceability on every package.
A Category Ripe for ‘Fresh’ Breakfast Innovation

REFRIGERATED MEALS: LARGE & GROWING RAPIDLY

$6.5B

YOY Growth

+8.7%

BUT BREAKFAST IS UNDER REPRESENTED

Breakfast & AM Snack Share of Eating Occasions

33%

Breakfast Share of RFG Meal $s

0.3%

BECAUSE IT HAS BEEN UNDER INNOVATED

% $s From New Items

5.0%

2.6%

Source: IRI Market Advantage, 52 Weeks Ending 01-22-17, Total US - Multi Outlet

Source: Hartman Group 2016 Eating Occasions Dashboards, Jan 2017

Source: IRI Market Advantage, 52 Weeks Ending 01-22-17, Total US - Multi Outlet
Jimmy Dean Simple Scrambles™

**THE INSIGHT**
Warm, real breakfast is too much work most days

**THE ADVANTAGE**
Breakfast scramble freshly prepared in minutes
Jimmy Dean®
Premium
Breakfast Bowls

THE INSIGHT
Most frozen breakfast items aren’t hearty enough for when I’m really hungry.

THE ADVANTAGE
Hearty, satisfying breakfast bowls made with high quality ingredients and bold flavors.
Jimmy Dean® Pancake and Sausage Bites

THE INSIGHT
Breakfast options for my family need to be quick, easy and portable

THE ADVANTAGE
Snackable form of a breakfast favorite in individual on-the-go pouches
Breakfast needs to be filling, but still a smart start to the day

Substantial and delicious egg white omelet for fewer than 200 calories
THE INSIGHT

The expectation of snacks has evolved from satisfaction to experience.

THE ADVANTAGE

Sophisticated flavors in forms that fit into flexible lives.
Hillshire Farm®
Slow Smoked Meats

THE INSIGHT
The best flavor takes a long time to develop – time I don’t have during the week

THE ADVANTAGE
Slow smoked meat in minutes, not hours
THE INSIGHT
I want a cleaner label, higher quality hot dog I can feel good about serving

THE ADVANTAGE
Only premium hot dog made with 100% USDA prime beef, no added nitrates
The Tyson brand & No Antibiotics Ever!

Meeting the growing consumer demand for no antibiotics across our portfolio.
Bringing Our Brands to Life: Telling Fresh, Modern Stories
Evolution of the Tyson Consumer Brand

Keep it real. Keep it Tyson.
VIDEO PLAYING
A Disciplined Approach to Investment & Return

Marketing mix models on Core 9 brands track return on investment and optimize spend

Tyson Foods Media ROI

1Represents a weighted average across Jimmy Dean, Hillshire Farm, Ball Park, and Tyson
Modern Growth Portfolio

- Advantaged Spaces
- Differentiated Capabilities
- Multiple Models
- Brand Portfolio
LEADING THE WAY IN FOOD SUSTAINABILITY
The Case for Sustainability & Shared Value

It's the right thing to do & companies that do the right thing win!
LEADING THE WAY IN FOOD SUSTAINABILITY

Our Bold, New Approach to Sustainability

Healthier Food
Healthier Animals
Healthier Bottom-line
Healthier Workplace
Healthier Environment
From Issues to System-level Sustainability Solutions

Tyson Foods aims to create competitive advantage by advancing all dimensions of sustainability
Our Approach Starts With Chicken
LEADING THE WAY IN FOOD SUSTAINABILITY

Poultry Farm of the Future

- Safe Bird Transport w/o Human Handling
- Use Litter for Fertilizer
- Better Growing Environment
- Rainwater Collection
LEADING THE WAY IN FOOD SUSTAINABILITY

Poultry Farm of the Future
LEADING THE WAY IN FOOD SUSTAINABILITY

Poultry Farm of the Future

- Reduces Greenhouse Emissions
- Improves Worker Welfare
- Improves Animal Welfare
- Improves Food Safety
- Reduces Land Use
Evidence-based Targets, Long-term Commitment

**FOOD**
Convert chicken supply chain to no antibiotics ever

**PEOPLE**
Reduce workplace injuries by 15% per year

**ANIMALS**
3rd party audit of farms to certify humane treatment of chickens

**ENVIRONMENT**
Working with partners to set science-based targets
Over Time Sustainability Investments Will Fund Themselves

Sustainability Investments

- Resources
- Waste
- Cost

- Innovation
- Volume
- Profits
Investing in The Future: Tyson New Ventures

**Role:** Tyson New Ventures answers the question of how we, and our food production system, might adapt to continue to provide safe, high quality, affordable, and sustainable nutrition to the ~9B+ human beings who will populate the earth by 2050.

**Investment Range:** $100MM-$150MM

**Management:** Tyson personnel, with 1-3 strategic VC partners
LEADING THE WAY IN FOOD SUSTAINABILITY

Beyond Meat
THE BRIGHT FUTURE OF TYSON FOODS
Strong Today, Leading for Tomorrow

Strong Financials
Unique Position
Purpose Driven
Clear Strategy
Future Focused Team
Strong Today, Leading for Tomorrow
Thank You
Appendix
## Net Debt/EBITDA Reconciliations

$ in millions (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Fiscal 2016 (a)</th>
<th>Fiscal 2015 (a)</th>
<th>Fiscal 2014 (a)</th>
<th>Fiscal 2013 (a)</th>
<th>Fiscal 2012 (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$ 1,772</td>
<td>$ 1,224</td>
<td>$ 856</td>
<td>$ 778</td>
<td>$ 576</td>
</tr>
<tr>
<td>Less: Interest income</td>
<td>(6)</td>
<td>(9)</td>
<td>(7)</td>
<td>(7)</td>
<td>(12)</td>
</tr>
<tr>
<td>Add: Interest expense</td>
<td>249</td>
<td>293</td>
<td>132</td>
<td>145</td>
<td>356</td>
</tr>
<tr>
<td>Add: Income tax expense</td>
<td>826</td>
<td>697</td>
<td>396</td>
<td>411</td>
<td>351</td>
</tr>
<tr>
<td>Add: Depreciation</td>
<td>617</td>
<td>609</td>
<td>494</td>
<td>474</td>
<td>443</td>
</tr>
<tr>
<td>Add: Amortization (b)</td>
<td>80</td>
<td>92</td>
<td>26</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$ 3,538</td>
<td>$ 2,906</td>
<td>$ 1,897</td>
<td>$ 1,818</td>
<td>$ 1,731</td>
</tr>
</tbody>
</table>

### Adjustments to EBITDA:

- **Add: China impairment**: $- $169 $- $- $- 
- **Add: Merger and integration costs**: - 57 - - -
- **Add: Prepared Foods network optimization charges**: - 59 - - -
- **Add: Denison plant closure**: - 12 - - -
- **Add: Brazil impairment**: - - 42 - -
- **Add: Hillshire Brands purchase price accounting adjustments**: - - 19 - -
- **Add: Hillshire Brands acquisition, integration and costs associated with our Prepared Foods improvement plan**: - - 197 - -
- **Add: Costs (insurance proceeds, net of costs) related to a legacy Hillshire Brands plant fire**: - (8) 12 - -
- **Less: Gain on sale of the Mexico operation**: - (161) - - -
- **Less: Gain on sale of equity securities**: - (21) - - -

**Total Adjusted EBITDA**: $3,538 $3,013 $2,167 $1,818 $1,731

### Pro forma Adjustments to EBITDA:

- **Add: Hillshire Brands adjusted EBITDA (prior to acquisition)**: n/a n/a 422 n/a n/a

**Total Pro forma Adjusted EBITDA**: n/a n/a n/a 2,589 n/a

### Total gross debt (d)

<table>
<thead>
<tr>
<th></th>
<th>Fiscal 2016 (a)</th>
<th>Fiscal 2015 (a)</th>
<th>Fiscal 2014 (a)</th>
<th>Fiscal 2013 (a)</th>
<th>Fiscal 2012 (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net debt</td>
<td>$ 5,926</td>
<td>$ 6,000</td>
<td>$ 7,669</td>
<td>$ 1,252</td>
<td>$ 1,344</td>
</tr>
</tbody>
</table>

### Ratio Calculations:

- **Gross debt/EBITDA**: 1.8x 2.3x 4.3x 1.3x 1.4x
- **Net debt/EBITDA**: 1.7x 2.1x 4.1x 0.7x 0.8x
- **Gross debt/Adjusted EBITDA**: 1.8x 2.2x 3.8x 1.3x 1.4x
- **Net debt/Adjusted EBITDA**: 1.7x 2.0x 3.5x 0.7x 0.8x
- **Gross debt/Pro forma Adjusted EBITDA**: n/a n/a 3.1x n/a n/a
- **Net debt/Pro forma Adjusted EBITDA**: n/a n/a 3.0x n/a n/a
EBITDA and Adjusted EBITDA for fiscal 2015 were based on a 53-week year while fiscal 2016, 2014, 2013 and 2012 are based on a 52-week year.

Excludes the amortization of debt discount expense of $8 million, $10 million, $10 million, $28 million and $39 million for fiscal 2016, 2015, 2014, 2013 and 2012, respectively, as it is included in Interest expense.

Represents Hillshire Brands adjusted EBITDA, prior to our acquisition, for the eleven months ended August 28, 2014. This amount is added to our Adjusted EBITDA for the fiscal year ended September 27, 2014, in order for Net debt to Adjusted EBITDA to include a full twelve months of Hillshire Brands results on a pro forma basis for each of the periods presented. The pro forma adjusted EBITDA was derived from Hillshire Brand’s historical financial statements for the periods ended March 29, 2014 and June 28, 2014 as filed with the Securities and Exchange Commission, as well as amounts for the two months ended August 28, 2014, prior to the closing of the acquisition. These amounts were adjusted to remove the impact of deal costs related to Pinnacle Foods, Inc. and Tyson Foods, Inc. transactions, Storm Lake fire, and severance costs. We believe this pro forma presentation is useful and helps management, investors, and rating agencies enhance their understanding of our financial performance and to better highlight future financial trends on a comparable basis with Hillshire Brands results included for the periods presented given the significance of the acquisition to our overall results.

In the fourth quarter of fiscal 2016, we adopted new accounting guidance, retrospectively, requiring classification of debt issuance costs as a reduction of the carrying value of the debt. In doing so, $29 million, $35 million, $50 million, $10 million and $14 million of deferred issuance costs was reclassified from Other Assets to Long-Term Debt in our Consolidated Balance Sheets for fiscal 2016, 2015, 2014, 2013 and 2012 respectively.

EBITDA is defined as net income before interest, income taxes, depreciation and amortization. Net debt to EBITDA (and to Adjusted EBITDA) represents the ratio of our debt, net of cash and short-term investments, to EBITDA (and to Adjusted EBITDA). EBITDA, Adjusted EBITDA, net debt to EBITDA and net debt to Adjusted EBITDA are presented as supplemental financial measurements in the evaluation of our business. Adjusted EBITDA is a tool intended to assist our management and investors in comparing our performance on consistent basis for purposes of business decision-making by removing the impact of certain items that management believes do not directly reflect our core operations on an ongoing basis.

We believe the presentation of these financial measures helps management and investors to assess our operating performance from period to period, including our ability to generate earnings sufficient to service our debt, and enhances understanding of our financial performance and highlights operational trends. These measures are widely used by investors and rating agencies in the valuation, comparison, rating and investment recommendations of companies; however, the measurements of EBITDA (and Adjusted EBITDA) and net debt to EBITDA (and to Adjusted EBITDA) may not be comparable to those of other companies, which limits their usefulness as comparative measures. EBITDA (and Adjusted EBITDA) and net debt to EBITDA (and to Adjusted EBITDA) are not measures required by or calculated in accordance with generally accepted accounting principles (GAAP) and should not be considered as substitutes for net income or any other measure of financial performance reported in accordance with GAAP or as a measure of operating cash flow or liquidity. EBITDA (and Adjusted EBITDA) is a useful tool for assessing, but is not a reliable indicator of, our ability to generate cash to service our debt obligations because certain of the items added to net income to determine EBITDA (and Adjusted EBITDA) involve outlays of cash. As a result, actual cash available to service our debt obligations will be different from EBITDA (and Adjusted EBITDA). Investors should rely primarily on our GAAP results and use non-GAAP financial measures only supplementally in making investment decisions.
## EPS Reconciliations

$ in millions, except per share data

(UNAUDITED)

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Income</strong></td>
<td>$2,833</td>
<td>$2,169</td>
<td>$1,430</td>
<td>$1,375</td>
<td>$1,286</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>$4.53</td>
<td>$2.95</td>
<td>$3.77</td>
<td>$2.37</td>
<td>$1.68</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>$1,649</td>
<td>$3.15</td>
<td>$2.94</td>
<td>$1.375</td>
<td>$2.26</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>$1.97</td>
<td>$0.29</td>
<td>$0.68</td>
<td>$0.29</td>
<td>$1.97</td>
</tr>
</tbody>
</table>

### Adjusting from Continuing Operations

- **Operating Income**: $2,833
- **EPS**: $4.53

### Adjusting Items

- **Add**:
  - Recognition of previously unrecognized tax benefit: -
  - Insurance proceeds (net of costs) related to a legacy Hillshire Brands plant fire: -
  - Gain on sale of equity securities: -
  - Gain on sale of Mexico operations: -
  - Impact of additional week (a): -
  - Gain from currency translation adjustment: -
  - Gain on sale of interest in an equity method investment: -
  - Reversal of reserves for foreign uncertain tax positions: -

- **Add**:
  - China Impairment: -
  - Merger and integration costs: -
  - Prepared Foods network optimization charges: -
  - Denison plant closure: -
  - Loss related to early extinguishment of debt: -
  - Brazil impairment/Mexico undistributed earnings tax: -
  - Hillshire Brands acquisition, integration and costs associated with our Prepared Foods improvement plan: -
  - Hillshire Brands post-closing results, purchase price accounting and costs related to a legacy Hillshire Brands plant fire: -
  - Hillshire Brands acquisition financing incremental interest costs and share dilution: -

- **Adjusting from Continuing Operations**: $2,833

### Footnote (a)

Impact of additional week was calculated by using the fourth quarter of fiscal 2015 adjusted operating income (prior to the additional week impact) and divided by 14 weeks.

Adjusted operating income and adjusted net income from continuing operations per share attributable to Tyson (adjusted EPS) are presented as supplementary measures of our financial performance that is not required by, or presented in accordance with, GAAP. We use adjusted operating income and adjusted EPS as internal performance measurements and as two criteria for evaluating our performance relative to that of our peers. We believe adjusted operating income and adjusted EPS are meaningful to our investors to enhance their understanding of our financial performance and is frequently used by securities analysts, investors and other interested parties to compare our performance with the performance of other companies that report adjusted operating income and adjusted EPS. Further, we believe that adjusted operating income and adjusted EPS are useful measures because they improve comparability of results of operations from period to period. Adjusted operating income and adjusted EPS should not be considered as a substitute for operating income or net income per share attributable to Tyson or any other measure of financial performance reported in accordance with GAAP. Investors should rely primarily on our GAAP results and use non-GAAP financial measures only supplementally in making investment decisions. Our calculation of adjusted operating income and adjusted EPS may not be comparable to similarly titled measures reported by other companies.