

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 25, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-4171

KELLOGG COMPANY

State of Incorporation--Delaware IRS Employer Identification No.38-0710690

One Kellogg Square, P.O. Box 3599, Battle Creek, MI 49016-3599

Registrant's telephone number: 269-961-2000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Common Stock outstanding October 22, 2004 – 412,910,481 shares

KELLOGG COMPANY

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Kellogg Company and Subsidiaries

CONSOLIDATED BALANCE SHEET

(millions, except per share data)

	Sept. 25, 2004 (unaudited)	December 27, 2003 *
Current assets		
Cash and cash equivalents	\$423.0	\$141.2
Accounts receivable, net	920.6	754.8
Inventories:		
Raw materials and supplies	192.7	185.3
Finished goods and materials in process	448.6	464.5
Other current assets	256.3	242.1
Total current assets	2,241.2	1,787.9
Property , net of accumulated depreciation of \$3,655.5 and \$3,439.3	2,648.5	2,780.2
Goodwill	3,094.9	3,098.4
Other intangibles , net of accumulated amortization of \$45.3 and \$35.1	2,024.5	2,034.4
Other assets	460.1	441.8
Total assets	\$10,469.2	\$10,142.7
Current liabilities		
Current maturities of long-term debt	\$78.6	\$578.1
Notes payable	544.7	320.8
Accounts payable	797.6	703.8
Accrued advertising and promotion	387.9	323.1
Other current liabilities	880.3	840.2
Total current liabilities	2,689.1	2,766.0
Long-term debt	4,271.0	4,265.4
Deferred income taxes	1,050.4	1,062.8
Pension benefits	176.0	165.3
Nonpension postretirement benefits	271.5	291.0
Other liabilities	139.9	149.0
Shareholders' equity		
Common stock, \$.25 par value	103.8	103.8
Capital in excess of par value	-	24.5
Retained earnings	2,622.0	2,247.7
Treasury stock, at cost	(115.7)	(203.6)
Accumulated other comprehensive income (loss)	(738.8)	(729.2)
Total shareholders' equity	1,871.3	1,443.2
Total liabilities and shareholders' equity	\$10,469.2	\$10,142.7

* Condensed from audited financial statements.

Refer to Notes to Consolidated Financial Statements.

Kellogg Company and Subsidiaries

CONSOLIDATED EARNINGS

(millions, except per share data)

	Quarter ended Sept. 25, 2004	Quarter ended Sept. 27, 2003	Year-to-date period ended Sept. 25, 2004	Year-to-date period ended Sept. 27, 2003
<i>(Results are unaudited)</i>				
Net sales	\$2,445.3	\$2,281.6	\$7,223.1	\$6,676.5
Cost of goods sold	1,319.1	1,247.6	3,981.7	3,710.8
Selling and administrative expense	669.4	603.2	1,926.0	1,773.4
Operating profit	456.8	430.8	1,315.4	1,192.3
Interest expense	76.2	87.0	230.5	268.5
Other income (expense), net	(3.5)	7.6	(9.8)	2.2
Earnings before income taxes	377.1	351.4	1,075.1	926.0
Income taxes	130.1	120.1	370.9	326.9
Net earnings	\$247.0	\$231.3	\$704.2	\$599.1
Net earnings per share:				
Basic	\$.60	\$.57	\$1.71	\$1.47
Diluted	\$.59	\$.56	\$1.69	\$1.46
Dividends per share	\$.2525	\$.2525	\$.7575	\$.7575
Average shares outstanding:				
Basic	412.4	408.3	411.7	407.6
Diluted	416.7	410.9	415.8	410.0
Actual shares outstanding at period end			412.6	408.2

Refer to Notes to Consolidated Financial Statements.

Kellogg Company and Subsidiaries
CONSOLIDATED STATEMENT OF CASH FLOWS
(millions)

<i>(unaudited)</i>	Year-to-date period ended Sept. 25, 2004	Year-to-date period ended Sept. 27, 2003
Operating activities		
Net earnings	\$704.2	\$599.1
Adjustments to reconcile net earnings to operating cash flows:		
Depreciation and amortization	293.5	272.0
Deferred income taxes	7.6	57.5
Other	96.7	59.9
Postretirement benefit plan contributions	(140.7)	(59.9)
Changes in operating assets and liabilities	67.8	54.4
Net cash provided by operating activities	1,029.1	983.0
Investing activities		
Additions to properties	(169.5)	(121.2)
Dispositions of businesses	-	14.0
Other	1.0	8.3
Net cash used in investing activities	(168.5)	(98.9)
Financing activities		
Net issuances of notes payable	223.9	(135.0)
Issuances of long-term debt	7.0	498.1
Reductions of long-term debt	(503.0)	(710.9)
Net issuances of common stock	242.0	80.4
Common stock repurchases	(229.3)	(76.3)
Cash dividends	(313.1)	(308.8)
Other	(2.7)	-
Net cash used in financing activities	(575.2)	(652.5)
Effect of exchange rate changes on cash	(3.6)	9.7
Increase in cash and cash equivalents	281.8	241.3
Cash and cash equivalents at beginning of period	141.2	100.6
Cash and cash equivalents at end of period	\$423.0	\$341.9

Refer to Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements for the quarter and year-to-date periods ended September 25, 2004 (unaudited)

Note 1 Accounting policies

The unaudited interim financial information included in this report reflects normal recurring adjustments that management believes are necessary for a fair presentation of the results of operations, financial position, and cash flows for the periods presented. This interim information should be read in conjunction with the financial statements and accompanying notes contained on pages 32 to 52 of the Company's 2003 Annual Report. The accounting policies used in preparing these financial statements are the same as those summarized in the Company's 2003 Annual Report, except as discussed below. Certain amounts for 2003 have been reclassified to conform to current-period classifications. The results of operations for the quarter and year-to-date periods ended September 25, 2004, are not necessarily indicative of the results to be expected for other interim periods or the full year.

Basis of presentation

The Company's fiscal year normally ends on the last Saturday of December and as a result, a 53rd week is added every fifth or sixth year. The Company's 2004 fiscal year will end on January 1, 2005, and include a 53rd week. Quarters normally consist of 13-week periods, with the fourth quarter of fiscal 2004 including a 14th week.

Medicare prescription benefits

In December 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 (the Act) became law. The Act introduces a prescription drug benefit under Medicare Part D as well as a federal subsidy (beginning in 2006) to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. In January 2004, the Company elected, pursuant to FASB Staff Position (FSP) FAS 106-1, to defer accounting recognition of the effects of the Act until authoritative FASB guidance was issued.

In May 2004, the FASB issued FSP FAS 106-2, which applies to sponsors of single-employer defined benefit postretirement health care plans that are impacted by the Act. In general, the FSP concludes that plan sponsors should follow SFAS No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions," in accounting for the effects of the Act, with benefits attributable to past service cost accounted for as an actuarial experience gain. The FSP is generally effective for the first interim period beginning after June 15, 2004, with earlier application encouraged. For employers such as Kellogg that elected deferral under FSP FAS 106-1, this guidance may be adopted retroactively to the date of Act enactment or prospectively from the date of adoption.

While detailed regulations necessary to implement the Act have not yet been issued, management believes that certain health care benefit plans covering a significant portion of the Company's U.S. workforce will qualify for the Medicare Part D subsidy, resulting in a reduction in the Company's share of prescription drug benefits available under these plans. Accordingly, the Company adopted FSP FAS 106-2 as of its second quarter 2004 reporting period beginning March 28, 2004, and has performed a remeasurement of its plan assets and obligations as of December 27, 2003. The reduction in the benefit obligation attributable to past service cost is approximately \$73 million and the total reduction in benefit cost for full-year 2004 is approximately \$10 million.

Stock compensation

The Company uses various equity-based compensation programs to provide long-term performance incentives for its global workforce. Currently, these incentives consist of stock options, performance units, restricted stock grants, and stock purchase plans with various preferred terms. These awards are administered through several plans, as described in Note 8 to Consolidated Financial Statements on pages 41-43 of the Company's 2003 Annual Report.

The Company currently uses the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," to account for its employee stock options and other stock-based compensation. Under this method, because the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of the grant, no compensation expense is recognized. The table below presents pro forma results for the current and prior-year periods, as if the Company had used the alternate fair value method of accounting for stock-based compensation, prescribed by SFAS No. 123 "Accounting for Stock-Based Compensation" (as amended by SFAS No. 148). Under this pro forma method, the fair value of each option grant was estimated at the date of grant using an option-pricing model and was recognized over the vesting period, generally two years. Pricing model assumptions included expected terms of 3-4 years; and risk-free interest rates, dividend yields, and volatility assumptions consistent with the expected terms and particular grant dates.

<i>(millions except per share data)</i>	Quarter ended		Year-to-date period ended	
	September 25, 2004	September 27, 2003	September 25, 2004	September 27, 2003
Stock-based compensation expense, net of tax:				
As reported	\$ 2.3	\$ 3.5	\$ 6.7	\$ 8.5
Pro forma	\$ 11.1	\$ 10.6	\$ 31.5	\$ 30.4
Net earnings:				
As reported	\$ 247.0	\$ 231.3	\$ 704.2	\$ 599.1
Pro forma	\$ 238.2	\$ 224.2	\$ 679.4	\$ 577.2
Basic net earnings per share:				
As reported	\$ 0.60	\$ 0.57	\$ 1.71	\$ 1.47
Pro forma	\$ 0.58	\$ 0.55	\$ 1.65	\$ 1.42
Diluted net earnings per share:				
As reported	\$ 0.59	\$ 0.56	\$ 1.69	\$ 1.46
Pro forma	\$ 0.57	\$ 0.55	\$ 1.64	\$ 1.41

Note 2 Cost-reduction initiatives

To position the Company for sustained reliable growth in earnings and cash flow for the long term, management is undertaking a series of cost-reduction initiatives. Continuing from 2003 are various manufacturing capacity rationalization and efficiency initiatives in the Company's North American and European operating segments. Major initiatives commenced in the first and second quarters of 2004 include 1) global rollout of the SAP information technology system, 2) reorganization of pan-European operations, 3) consolidation of U.S. veggie foods manufacturing operations, and 4) relocation of the Company's U.S. snacks business unit to Battle Creek, Michigan. Additional initiatives are still in the planning stages and individual actions are being announced as plans are finalized.

The Company's global rollout of its SAP information technology system is resulting in accelerated depreciation of legacy software assets to be abandoned in 2005, as well as related consulting and other implementation expenses. Total incremental costs for 2004 are expected to be approximately \$35 million. In close association with this SAP rollout, management has undertaken a major initiative to improve the organizational design and effectiveness of pan-European operations. Specific benefits of this initiative are expected to include improved marketing and promotional coordination across Europe, supply chain network savings, and overhead cost reductions. To achieve these benefits, management intends to implement, by early 2005, a new European legal and operating structure with strengthened pan-European management authority and coordination. To complete this business transformation, the Company expects to incur various up-front costs, including relocation, severance, and consulting, of approximately \$30 million during 2004.

To improve operations and provide for future growth, the Company is moving forward with its plan to close its veggie foods manufacturing facility in Worthington, Ohio. The plan includes the out-sourcing of certain operations and consolidation of remaining production at the Zanesville, Ohio facility by early 2005. The Worthington facility employs approximately 300 employees. Total asset write-offs and up-front costs of the project are expected to be approximately \$30 million, the majority of which is being recognized during 2004.

As the next logical step in the integration process, the Company has substantially completed the relocation of its U.S. snacks business unit from Elmhurst, Illinois (the former headquarters of Keebler Foods Company) to Battle Creek, Michigan. About one-third of the approximately 300 employees affected by this initiative accepted relocation/reassignment offers. The recruiting effort to fill the remaining open positions is substantially complete. Attributable to this initiative, management expects to incur approximately \$20 million in relocation, recruiting, and severance costs principally during 2004. Subject to achieving certain employment levels and other regulatory requirements, management expects to defray a significant portion of these up-front costs through various multi-year tax incentives, beginning in 2005.

Taking into account the incremental costs of all of the above-described initiatives, the Company recorded total charges of approximately \$32 million for the quarter and \$61 million for the year-to-date period ended September 25, 2004. Approximately 50% of the year-to-date charges were comprised of asset write-offs, with the remainder consisting of severance, relocation, consulting, and other cash costs. Approximately 50% of the year-to-date charges were recorded in cost of goods sold, with the balance recorded in selling, general, and administrative (SGA) expense. The year-to-date charges impacted the Company's operating segments as follows (in millions): North America-\$31, Europe-\$30. The exit cost reserve balance at December 27, 2003, of approximately \$19 million was substantially paid out during the first quarter of 2004. Principally attributable to severance costs accrued during the second and third quarters of 2004, exit cost reserves at September 25, 2004, totaled approximately \$8 million.

Cost of goods sold for the quarter ended September 27, 2003 included charges of approximately \$11 million for asset write-offs and exit costs associated with all in-process cost-reduction initiatives. The third quarter 2003 charges were comprised of approximately \$6 million for a plant closure-related impairment loss in Argentina, \$3 million for equipment disposals in the Company's U.S. snacks business, and \$2 million for plant closure-related costs in Australia. For the year-to-date period, cost of goods sold also included charges of approximately \$15 million, attributable primarily to equipment disposals in the Company's U.S. snacks business. Reserves for exit costs at September 27, 2003, were insignificant.

Note 3 Other income (expense), net

Other income (expense), net includes non-operating items such as interest income, foreign exchange gains and losses, charitable donations, and gains on asset sales. Other income (expense), net for the year-to-date period ended September 25, 2004, includes a charge of approximately \$8 million for a contribution to the Kellogg's Corporate Citizenship Fund, a private trust established for charitable giving.

Other income (expense), net for the year-to-date period ended September 27, 2003 includes a credit of approximately \$17 million related to favorable legal settlements; a charge of \$8 million for a contribution to the Kellogg's Corporate Citizenship Fund; and a charge of \$6.5 million to recognize the impairment of a cost-basis investment in an e-commerce business venture.

Note 4 Equity

Earnings per share

Basic net earnings per share is determined by dividing net earnings by the weighted average number of common shares outstanding during the period. Diluted net earnings per share is similarly determined, except that the denominator is increased to include the number of additional common shares that would have been outstanding if all dilutive potential common shares had been issued. Dilutive potential common shares are comprised principally of employee stock options issued by the Company. Basic net earnings per share is reconciled to diluted net earnings per share as follows:

Quarter <i>(millions, except per share data)</i>	Net earnings	Average shares outstanding	Net earnings per share
2004			
Basic	\$247.0	412.4	\$ 0.60
Dilutive potential common shares	-	4.3	(0.01)
Diluted	\$247.0	416.7	\$ 0.59
2003			
Basic	\$231.3	408.3	\$ 0.57
Dilutive potential common shares	-	2.6	(0.01)
Diluted	\$231.3	410.9	\$ 0.56

Year-to-date <i>(millions, except per share data)</i>	Net earnings	Average shares outstanding	Net earnings per share
2004			
Basic	\$704.2	411.7	\$ 1.71
Dilutive potential common shares	-	4.1	(0.02)
Diluted	\$704.2	415.8	\$ 1.69
2003			
Basic	\$599.1	407.6	\$ 1.47
Dilutive potential common shares	-	2.4	(0.01)
Diluted	\$599.1	410.0	\$ 1.46

Comprehensive Income

Comprehensive income includes net earnings and all other changes in equity during a period except those resulting from investments by or distributions to shareholders. Accumulated other comprehensive income for the periods presented consists of foreign currency translation adjustments pursuant to SFAS No. 52 "Foreign Currency Translation," unrealized gains and losses on cash flow hedges pursuant to SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities," and minimum pension liability adjustments pursuant to SFAS No. 87 "Employers' Accounting for Pensions."

Quarter <i>(millions)</i>	Pre-tax amount	Tax (expense) or benefit	After-tax amount
2004			
Net earnings			\$247.0
Other comprehensive income:			
Foreign currency translation adjustments	1.2	-	1.2
Cash flow hedges:			
Unrealized gain (loss) on cash flow hedges	(5.8)	1.8	(4.0)
Reclassification to net earnings	3.0	(1.0)	2.0
Minimum pension liability adjustments	0.6	-	0.6
	(1.0)	0.8	(0.2)
Total comprehensive income			\$246.8

<i>(millions)</i>	Pre-tax amount	Tax (expense) or benefit	After-tax amount
2003			
Net earnings			\$231.3
Other comprehensive income:			
Foreign currency translation adjustments	2.0	-	2.0
Cash flow hedges:			
Unrealized gain (loss) on cash flow hedges	1.8	(0.7)	1.1
Reclassification to net earnings	1.3	(0.5)	0.8
Minimum pension liability adjustments	-	-	-
	5.1	(1.2)	3.9
Total comprehensive income			\$235.2

Year-to-date <i>(millions)</i>	Pre-tax amount	Tax (expense) or benefit	After-tax amount
2004			
Net earnings			\$704.2
Other comprehensive income:			
Foreign currency translation adjustments	(9.1)	-	(9.1)
Cash flow hedges:			
Unrealized gain (loss) on cash flow hedges	(8.0)	2.7	(5.3)
Reclassification to net earnings	13.4	(4.9)	8.5
Minimum pension liability adjustments	(5.4)	1.7	(3.7)
	(9.1)	(0.5)	(9.6)
Total comprehensive income			\$694.6

<i>(millions)</i>	Pre-tax amount	Tax (expense) or benefit	After-tax amount
2003			
Net earnings			\$599.1
Other comprehensive income:			
Foreign currency translation adjustments	35.5	-	35.5
Cash flow hedges:			
Unrealized gain (loss) on cash flow hedges	(14.2)	4.8	(9.4)
Reclassification to net earnings	10.5	(3.8)	6.7
Minimum pension liability adjustments	-	-	-
	31.8	1.0	32.8
Total comprehensive income			\$631.9

Accumulated other comprehensive income (loss) as of September 25, 2004, and December 27, 2003, consisted of the following:

<i>(millions)</i>	September 25, 2004	December 27, 2003
Foreign currency translation adjustments	\$ (415.1)	\$ (406.0)
Cash flow hedges -- unrealized net loss	(48.7)	(51.9)
Minimum pension liability adjustments	(275.0)	(271.3)
Total accumulated other comprehensive income (loss)	\$ (738.8)	\$ (729.2)

Note 5 Debt

In January 2004, the Company repaid \$500 million of maturing seven-year Notes, replacing these Notes with short-term debt.

Note 6 Employee benefits

The Company sponsors a number of U.S. and foreign pension, other postretirement, and postemployment plans to provide various benefits for its employees. These plans are described on pages 43-46 of the Company's 2003 Annual Report. Components of benefit expense for the periods presented were:

Pension

<i>(millions)</i>	Quarter ended		Year-to-date period ended	
	Sept. 25, 2004	Sept. 27, 2003	Sept. 25, 2004	Sept. 27, 2003
Service cost	\$ 18.4	\$ 16.8	\$ 55.4	\$ 50.6
Interest cost	38.2	37.7	114.5	113.3
Expected return on plan assets	(58.4)	(56.0)	(175.1)	(168.2)
Amortization of unrecognized prior service cost	2.0	1.8	5.8	5.5
Recognized net (gain) loss	12.6	7.2	38.0	21.5
Curtailment and special termination benefits - net (gain) loss	(1.2)	2.1	0.6	6.1
Total pension expense - Company Plans	\$ 11.6	\$ 9.6	\$ 39.2	\$ 28.8

Other nonpension postretirement

<i>(millions)</i>	Quarter ended		Year-to-date period ended	
	Sept. 25, 2004	Sept. 27, 2003	Sept. 25, 2004	Sept. 27, 2003
Service cost	\$ 3.0	\$ 3.1	\$ 9.0	\$ 9.4
Interest cost	13.9	15.1	41.6	45.3
Expected return on plan assets	(9.9)	(8.2)	(29.8)	(24.6)
Amortization of unrecognized prior service cost	(0.8)	(0.6)	(2.2)	(1.9)
Recognized net (gain) loss	3.7	3.0	11.1	9.2
Curtailment and special termination benefits - net (gain) loss	0.3	-	0.3	-
Postretirement benefit expense	\$ 10.2	\$ 12.4	\$ 30.0	\$ 37.4

Postemployment

(millions)	Quarter ended		Year-to-date period ended	
	Sept. 25, 2004	Sept. 27, 2003	Sept. 25, 2004	Sept. 27, 2003
Service cost	\$ 0.9	\$ 0.8	\$ 2.6	\$ 2.3
Interest cost	0.4	0.5	1.4	1.5
Recognized net (gain) loss	0.9	0.8	2.6	2.3
Postemployment benefit expense	\$ 2.2	\$ 2.1	\$ 6.6	\$ 6.1

Note 7 Operating segments

Kellogg Company is the world's leading producer of cereal and a leading producer of convenience foods, including cookies, crackers, toaster pastries, cereal bars, frozen waffles, and meat alternatives. Kellogg products are manufactured and marketed globally. In recent years, the Company was managed in two major divisions - United States and International. During late 2003, the Company reorganized its geographic management structure to North America, Europe, Latin America, and Asia Pacific. This new organizational structure is the basis of the operating segment data presented below. The prior periods have been restated to conform to the current-period presentation. This restatement includes: 1) the combination of U.S. and Canadian results into North America, 2) the reclassification of certain U.S. export operations from U.S. to Latin America, and 3) the reallocation of certain selling, general, and administrative (SGA) expenses between Corporate and North America.

(millions)	Quarter ended Sept. 25, 2004	Quarter ended Sept. 27, 2003	Year-to-date period ended Sept. 25, 2004	Year-to-date period ended Sept. 27, 2003
Net sales				
North America	\$1,610.3	\$1,525.6	\$4,776.1	\$4,533.4
Europe	510.5	451.1	1,517.7	1,308.5
Latin America	192.9	181.5	547.1	497.0
Asia Pacific (a)	131.6	123.4	382.2	337.6
Consolidated	<u>\$2,445.3</u>	<u>\$2,281.6</u>	<u>\$7,223.1</u>	<u>\$6,676.5</u>
Segment operating profit				
North America	\$317.4	\$312.8	\$906.4	\$856.1
Europe	97.1	86.8	275.5	227.6
Latin America	54.2	44.8	150.5	131.3
Asia Pacific (a)	19.4	16.8	62.2	54.0
Corporate	(31.3)	(30.4)	(79.2)	(76.7)
Consolidated	<u>456.8</u>	<u>430.8</u>	<u>1,315.4</u>	<u>1,192.3</u>

(a) Includes Australia and Asia.

Note 8 Supplemental information on goodwill and other intangible assets

Selling, general, and administrative expense for the period ended September 25, 2004, includes impairment losses of \$10.4 million to write off the remaining carrying value of certain intangible assets. As presented in the tables below, the total amount consists of \$7.9 million attributable to a long-term licensing agreement in North America and \$2.5 million of goodwill in Latin America.

Intangible assets subject to amortization: (millions)	Gross carrying amount		Accumulated amortization	
	September 25, 2004	December 27, 2003	September 25, 2004	December 27, 2003
	Trademarks	\$ 29.5	\$ 29.5	\$ 19.1
Other	29.1	29.1	26.2	16.8
Total	\$ 58.6	\$ 58.6	\$ 45.3	\$ 35.1

Amortization expense (millions) (a):	September 25, 2004 (b)	September 27, 2003
Quarter	\$ 8.6	\$ 0.4
Year-to-date	\$ 10.2	\$ 1.2

(a) The currently estimated aggregate amortization expense for each of the 5 succeeding fiscal years is approximately \$3.0 million per year.

(b) Includes impairment loss of approximately \$7.9 million, as discussed above.

Intangible assets not subject to amortization: (millions)	Total carrying amount	
	September 25, 2004	December 27, 2003
	Trademarks	\$ 1,404.0
Direct store door (DSD) delivery system	578.9	578.9
Other	28.3	28.0
Total	\$ 2,011.2	\$ 2,010.9

Changes in the carrying amount of goodwill for the year-to-date period ended September 25, 2004:					
(millions)	North America	Europe	Latin America	Asia Pacific (c)	Consoli- dated
December 27, 2003	\$ 3,093.8	\$ -	\$ 2.5	\$ 2.1	\$ 3,098.4
Purchase accounting adjustments	(0.9)	-	-	-	(0.9)
Impairments	-	-	(2.5)	-	(2.5)
Foreign currency remeasurement impact and other	-	-	-	(0.1)	(0.1)
September 25, 2004	\$ 3,092.9	\$ -	\$ -	\$ 2.0	\$ 3,094.9

(c) Includes Australia and Asia.

KELLOGG COMPANY

PART I - FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of operations

Overview

Kellogg Company is the world's leading producer of cereal and a leading producer of convenience foods, including cookies, crackers, toaster pastries, cereal bars, frozen waffles, and meat alternatives. Kellogg products are manufactured and marketed globally. In recent years, we managed our operations in two major divisions - United States and International. In late 2003, we reorganized our geographic management structure to North America, Europe, Latin America, and Asia Pacific. This new organizational structure is the basis of the operating segment data presented in this report.

For the quarter ended September 25, 2004, the Company reported net earnings per share of \$.59, a 5% increase over the prior-period amount of \$.56. Consolidated net sales and net earnings each grew 7%, with operating profit up 6%. These results were achieved despite higher commodity costs, increased brand-building expenditures, and significant up-front charges related to cost-reduction initiatives. The current-quarter results contributed to strong year-to-date performance, with net earnings and earnings per share growth of 18% and 16%, respectively.

Net sales and operating profit

The following tables provide an analysis of net sales and operating profit performance for the third quarter of 2004 versus 2003:

<i>(dollars in millions)</i>	North America	Europe	Latin America	Asia Pacific (b)	Corporate	Consoli- dated
2004 net sales	\$ 1,610.3	\$ 510.5	\$ 192.9	\$ 131.6	\$ -	\$ 2,445.3
2003 net sales (a)	\$ 1,525.6	\$ 451.1	\$ 181.5	\$ 123.4	\$ -	\$ 2,281.6
% change - 2004 vs. 2003:						
Volume (tonnage)	2.5%	-1.6%	6.0%	-3.3%	-	1.8%
Pricing/mix	2.6%	4.0%	5.0%	3.6%	-	3.0%
Subtotal - internal business	5.1%	2.4%	11.0%	0.3%	-	4.8%
Foreign currency impact	0.5%	10.8%	-4.7%	6.2%	-	2.4%
Total change	5.6%	13.2%	6.3%	6.5%	-	7.2%

<i>(dollars in millions)</i>	North America	Europe	Latin America	Asia Pacific (b)	Corporate	Consoli- dated
2004 operating profit	\$ 317.4	\$ 97.1	\$ 54.2	\$ 19.4	\$ (31.3)	\$ 456.8
2003 operating profit (a)	\$ 312.8	\$ 86.8	\$ 44.8	\$ 16.8	\$ (30.4)	\$ 430.8
% change - 2004 vs. 2003:						
Internal business	1.0%	0.2%	26.5%	8.7%	-2.6%	3.7%
Foreign currency impact	0.5%	11.6%	-5.8%	6.1%	0.0%	2.3%
Total change	1.5%	11.8%	20.7%	14.8%	-2.6%	6.0%

(a) 2003 results were restated to conform to 2004 operating segment presentation as follows:

1) U.S. and Canadian results combined into North America, 2) certain U.S. export operations reclassified from U.S. to Latin America, and 3) certain SGA expenditures reallocated between Corporate and North America.

(b) Includes Australia and Asia.

During the third quarter of 2004, consolidated net sales increased 7%. Internal net sales (which excludes the impact of currency and, if applicable, acquisitions, dispositions, and shipping day differences) grew approximately

5%, which was on top of a similar rate of growth in the year-ago period. During the quarter, successful innovation and brand-building investment continued to drive growth in most of our businesses.

North America reported net sales growth of approximately 6%, with internal growth across all major product groups. Internal net sales of our North America retail cereal business increased approximately 1%, against a difficult comparative growth rate of 10% in the prior-year period. Successful innovation and consumer promotion activities supported continued sales growth and category share gains in both the United States and Canada. Internal net sales of our North America retail snacks business increased 9%, with all components of our snacks portfolio (wholesome snacks, cookies, crackers, and toaster pastries) contributing to that growth. We believe the strong performance of our snacks business this quarter was due primarily to successful product and packaging innovation, combined with effective execution in our direct store-door delivery system. Internal net sales of our North America frozen and specialty channel (which includes food service, vending, convenience, drug stores, and custom manufacturing) businesses collectively increased approximately 6%.

Net sales in our European operating segment increased 13%, comprised of favorable foreign exchange movements of 11% and internal sales growth of 2%. Internal sales growth for the quarter was lower than the 4% year-to-date growth, due, in part, to the timing of promotional campaigns and new-product introductions in our UK cereal business. Sales of our snack products within the region continued to grow at a strong double-digit rate.

Continued strong performance in Latin America resulted in net sales growth of 6%, with internal net sales growth of 11% more than offsetting unfavorable foreign currency movements. Most of this growth was due to very strong price/mix and tonnage improvements in both cereal and snack sales by our Mexican business unit.

Net sales in our Asia Pacific operating segment increased 6% due to favorable foreign currency movements, with internal net sales performance essentially flat. Performance was weakened by the continuing effects of negative publicity on sugar-containing products in Korea and competitive conditions in Australia.

Consolidated operating profit increased 6% during the quarter, with internal growth of approximately 4%. This internal growth was achieved despite increased brand-building expenditures, intangibles impairment losses of over \$10 million (refer to Note 8 within Notes to Consolidated Financial Statements), and sharply higher commodity costs. Furthermore, as discussed in the "*Cost-reduction initiatives*" section below, we are absorbing a significant amount of up-front costs during 2004.

The following tables provide an analysis of net sales and operating profit performance for the year-to-date period ended September 25, 2004, versus the comparable prior-year period:

<i>(dollars in millions)</i>	North America	Europe	Latin America	Asia Pacific (b)	Corporate	Consoli- dated
2004 net sales	\$ 4,776.1	\$ 1,517.7	\$ 547.1	\$ 382.2	\$ -	\$ 7,223.1
2003 net sales (a)	\$ 4,533.4	\$ 1,308.5	\$ 497.0	\$ 337.6	\$ -	\$ 6,676.5
% change - 2004 vs. 2003:						
Volume (tonnage)	1.8%	0.3%	8.4%	-0.7%	-	2.0%
Pricing/mix	3.1%	3.9%	5.8%	2.1%	-	3.3%
Subtotal - internal business	4.9%	4.2%	14.2%	1.4%	-	5.3%
Foreign currency impact	0.5%	11.8%	-4.1%	11.8%	-	2.9%
Total change	5.4%	16.0%	10.1%	13.2%	-	8.2%

<i>(dollars in millions)</i>	North America	Europe	Latin America	Asia Pacific (b)	Corporate	Consoli- dated
2004 operating profit	\$ 906.4	\$ 275.5	\$ 150.5	\$ 62.2	\$ (79.2)	\$ 1,315.4
2003 operating profit (a)	\$ 856.1	\$ 227.6	\$ 131.3	\$ 54.0	\$ (76.7)	\$ 1,192.3
% change - 2004 vs. 2003:						
Internal business	5.3%	8.4%	19.4%	1.5%	-3.0%	7.4%
Foreign currency impact	0.6%	12.6%	-4.9%	13.6%	0.0%	2.9%
Total change	5.9%	21.0%	14.5%	15.1%	-3.0%	10.3%

(a) 2003 results were restated to conform to 2004 operating segment presentation as follows:

1) U.S. and Canadian results combined into North America, 2) certain U.S. export operations reclassified from U.S. to Latin America, and 3) certain SGA expenditures reallocated between Corporate and North America.

(b) Includes Australia and Asia.

Cost-reduction initiatives

To position our Company for sustained reliable growth in earnings and cash flow for the long term, we are undertaking a series of cost-reduction initiatives. Continuing from 2003 are various manufacturing capacity rationalization and efficiency initiatives in our North American and European operating segments. Initiatives commenced in the first and second quarters of 2004 include 1) global roll-out of our SAP information technology system, 2) reorganization of pan-European operations, 3) consolidation of U.S. veggie foods manufacturing operations, and 4) relocation of our U.S. snacks business unit to Battle Creek, Michigan. Additional initiatives are still in the planning stages and individual actions are being announced as plans are finalized.

Related to commenced projects, we expect to incur approximately \$125 million of up-front cash expenditures and asset write-offs to complete these initiatives, the majority of which is being recognized in earnings during 2004. These costs are included in our 2004 consolidated performance target of high single-digit growth in net earnings per share, as well as our projections for full-year cash flow. Additional information on individual projects is contained in Note 2 to Consolidated Financial Statements.

Taking into account the incremental costs of all in-process initiatives, we recorded total charges of approximately \$32 million for the quarter and \$61 million for the year-to-date period ended September 25, 2004. Approximately 50% of the year-to-date charges were comprised of asset write-offs, with the remainder consisting of severance, relocation, consulting, and other cash costs. Approximately 50% of the year-to-date charges were recorded in cost of goods sold, with the balance recorded in selling, general, and administrative (SGA) expense. The year-to-date charges impacted our operating segments as follows (in millions): North America-\$31, Europe-\$30.

Cost of goods sold for the quarter ended September 27, 2003 included charges of approximately \$11 million for asset write-offs and exit costs associated with all in-process cost-reduction initiatives. The third quarter 2003 charges were comprised of approximately \$6 million for a plant closure-related impairment loss in Argentina, \$3 million for equipment disposals in our U.S. snacks business, and \$2 million for plant closure-related costs in Australia. For the year-to-date period, cost of goods sold also included charges of approximately \$15 million, attributable primarily to equipment disposals in our U.S. snacks business.

Margin performance

Margin performance for the third quarter and year-to-date periods of 2004 versus 2003 was:

Quarter	2004	2003	Change vs. prior year (pts.)
Gross margin	46.1%	45.3%	0.8
SGA% (a)	-27.4%	-26.4%	-1.0
Operating margin	18.7%	18.9%	-0.2

Year-to-date	2004	2003	Change
Gross margin	44.9%	44.4%	0.5
SGA% (a)	-26.7%	-26.5%	-0.2
Operating margin	18.2%	17.9%	0.3

(a) Selling, general, and administrative expense as a percentage of net sales.

Year-over-year, our consolidated gross margin increased 80 basis points for the quarter and 50 basis points year-to-date. Our strong sales growth continued to produce significant operating leverage. This factor, combined with mix improvements and productivity savings, offset the unfavorable impact of higher commodity costs, as well as charges associated with our cost-reduction initiatives. For the full year of 2004, we expect continued pressure from commodity prices and our investment in cost-reduction initiatives to limit gross margin expansion, resulting in only a modest increase versus the full-year 2003 level of 44.4%.

Interest expense

Interest expense for the year-to-date period was \$230.5 million, down 14% from the prior-period amount of \$268.5 million. We currently expect total year 2004 interest expense of approximately \$315 million, down from the total year 2003 amount of \$371.4 million, due primarily to continuing pay-down of our debt balances and lower interest rates on refinancings.

Other income (expense), net

Other income (expense), net includes non-operating items such as interest income, foreign exchange gains and losses, charitable donations, and gains on asset sales. Other income (expense), net for the year-to-date period was a loss of \$9.8 million versus a gain of \$2.2 million in the prior-year period. The current-period amount includes a charge of approximately \$8 million for a contribution to the Kellogg's Corporate Citizenship Fund, a private trust established for charitable giving. The prior-period amount includes a credit of approximately \$17 million related to favorable legal settlements; a charge of \$8 million for a contribution to the Kellogg's Corporate Citizenship Fund; and a charge of \$6.5 million to recognize the impairment of a cost-basis investment in an e-commerce business venture.

Income taxes

The consolidated effective income tax rate for the year-to-date period was 34.5% versus 35.3% for the comparable prior-year period and 32.7% for the full year of 2003. (The 2003 rate included over 200 basis points of single-event benefits.) In October 2004, the American Jobs Creation Act of 2004 (the "Act") was enacted. This legislation implements a one-year reduced income tax rate on repatriation of foreign earnings and a phased-in tax deduction related to profits from domestic manufacturing activities. We are currently reviewing the impact of this legislation on our Company. Uncertainties currently exist regarding implementation and U.S. GAAP presentation of certain of the Act's provisions. Without regard to the potential future impacts of the Act, we currently expect a full-year 2004 effective income tax rate of 34-35%.

Liquidity and capital resources

Our principal source of liquidity is operating cash flow resulting from net earnings, supplemented by borrowings for major acquisitions and other significant transactions. This cash-generating capability is one of our fundamental strengths and provides us with substantial financial flexibility in meeting operating and investing needs.

Our measure of year-to-date 2004 cash flow (defined as net cash provided by operating activities reduced by expenditures for property additions) was \$859.6 million compared to \$861.8 million in the prior-year period. We use this measure of cash flow to focus management and investors on the amount of cash available for debt repayment, dividend distributions, acquisition opportunities, and share repurchases. Our cash flow metric is reconciled to GAAP-basis operating cash flow as follows:

<i>(millions)</i>	Year-to-date period ended		<i>Change versus prior year</i>
	September 25, 2004	September 27, 2003	
Net cash provided by operating activities	\$1,029.1	\$983.0	
Additions to properties	(169.5)	(121.2)	
Cash flow	\$859.6	\$861.8	-0.3%

Our 2004 year-to-date cash flow was approximately even with the prior-year amount, as the cash flow improvement from net earnings growth was offset by a significant increase in benefit plan contributions and higher capital spending. For the year ended September 25, 2004, average core working capital (inventory and trade receivables less trade payables) as a percentage of net sales was 7.5%, compared with 8.2% for the year ended December 27, 2003. For the full year of 2004, we expect modest improvement in our core working capital metric, expenditures for property additions of about 3% of net sales, and cash flow of \$925 million to \$1.0 billion.

In December 2003, our Board of Directors authorized management to repurchase up to \$300 million of Kellogg common stock during 2004. Under this authorization, we paid \$229.3 million to repurchase approximately 5.8 million shares during the year-to-date period ended September 25, 2004.

In January 2004, we repaid \$500 million of maturing seven-year Notes, replacing these Notes with short-term debt. During the full year of 2004, we currently intend to reduce our total outstanding debt by at least \$300 million.

Citing lower debt levels and strong operating performance, both Standard & Poor's (S&P) and Moody's Investor Services have recently raised their credit ratings on our Company's senior unsecured debt. In August 2004, S&P upgraded its rating from BBB to BBB+, and in October 2004, Moody's upgraded from Baa2 to Baa1. Within these organizations' systems, these credit ratings generally indicate medium-grade obligations, currently exhibiting adequate protection parameters. Our investors should be aware that a security rating is not a recommendation to buy, sell or hold securities, that it may be subject to revision or withdrawal at any time by the assigning rating organization, and that each rating should be evaluated independently of any other rating.

We believe that we will be able to meet our interest and principal repayment obligations and maintain our debt covenants for the foreseeable future, while still meeting our operational needs through our strong cash flow, our program of issuing short-term debt, and maintaining credit facilities on a global basis. Our significant long-term debt issues do not contain acceleration of maturity clauses that are dependent on credit ratings. A change in the Company's credit ratings could limit its access to the U.S. short-term debt market and/or increase the cost of refinancing long-term debt in the future. However, even under these circumstances, we would continue to have access to our credit facilities, which are in amounts sufficient to cover the outstanding short-term debt balance and debt principal repayments through 2005.

Future outlook

Our long-term annual growth targets are low single-digit for internal net sales and high single-digit for net earnings per share. In general, we expect 2004 results to be modestly above these targets due primarily to strong business momentum and favorable foreign exchange movements.

We began 2004 with several important challenges, including expectations for increased commodity prices, higher employee benefit costs, and a sales decline for the cookie portion of our U.S. snacks business. As a result of various cost containment initiatives, the enactment of Medicare Part D, and other factors, we now believe our employee benefit costs will be approximately even with the prior year. Despite continued sluggishness in the category, our cookie sales have recently outperformed our expectations. However, we continue to expect sharply increased commodity costs for the full year of 2004. In addition, we remain committed to growing our brand-building investment at approximately twice the rate of sales growth, and expect to meet that long-term target during 2004. Lastly, we will continue to incur up-front costs related to cost-reduction initiatives during the remainder of 2004 and into 2005.

Forward-looking statements

Our Management's Discussion and Analysis contain "forward-looking statements" with projections concerning, among other things, our strategy, financial principles, and plans; initiatives, improvements, and growth; sales, gross margins, advertising, promotion, merchandising, brand-building expenditures, operating profit, and earnings per share; innovation opportunities; exit plans and costs related to efficiency initiatives; the impact of accounting changes; our ability to meet interest and debt principal repayment obligations; future common stock repurchases or debt reduction; effective income tax rate; cash flow and core working capital improvements; capital expenditures; interest expense; commodity and energy prices; and employee benefit plan costs and funding. Forward-looking statements include predictions of future results or activities and may contain the words "expect," "believe," "will," "will deliver," "anticipate," "project," "should," or words or phrases of similar meaning. Our actual results or activities may differ materially from these predictions. In particular, future results or activities could be affected by factors related to the Keebler acquisition, such as the substantial amount of debt incurred to finance the acquisition, which could, among other things, hinder our ability to adjust rapidly to changing market conditions, make us more vulnerable in the event of a downturn, and place us at a competitive disadvantage relative to less-leveraged competitors. In addition, our future results could be affected by a variety of other factors, including:

- the impact of competitive conditions;
- the effectiveness of pricing, advertising, and promotional programs;
- the success of innovation and new product introductions;
- the recoverability of the carrying value of goodwill and other intangibles;
- the success of productivity improvements and business transitions;
- commodity and energy prices, and labor costs;
- the availability of and interest rates on short-term financing;
- actual market performance of benefit plan trust investments;
- the levels of spending on systems initiatives, properties, business opportunities, integration of acquired businesses, and other general and administrative costs;
- changes in consumer behavior and preferences;
- the effect of U.S. and foreign economic conditions on items such as interest rates, statutory tax rates, currency conversion and availability;
- legal and regulatory factors; and,
- business disruption or other losses from war, terrorist acts, or political unrest.

Forward-looking statements speak only as of the date they were made, and we undertake no obligation to publicly update them.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Refer to disclosures contained on pages 26-27 of the Company's 2003 Annual Report.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure based on management's interpretation of the definition of "disclosure controls and procedures," in Rules 13a-15(e) and 15d-15(e). In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable, rather than absolute, assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of September 25, 2004, management carried out an evaluation under the supervision and with the participation of the Company's Chief Executive Officer and the Company's Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on the foregoing, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective at a reasonable level of assurance.

During the last fiscal quarter, except as indicated below, there have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. As has been previously reported, the Company is in the process of rolling out its SAP information technology system on a global basis and implementing a major initiative to improve the organizational design and effectiveness of pan-European operations. In connection with these activities, the Company transitioned a portion of its European operations to the SAP information technology system during the last fiscal quarter. Management does not, however, currently believe that this has adversely affected the Company's internal control over financial reporting.

KELLOGG COMPANY

PART II - OTHER INFORMATION

Item 2. Changes in Securities and Use of Proceeds

(e) Issuer Purchases of Equity Securities

(millions, except per share data)

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
Month #1: 6/27/04-7/24/04	.6	\$40.04	.6	\$115.6
Month #2: 7/25/04-8/21/04	1.0	39.83	1.0	77.0
Month #3: 8/22/04-9/25/04	.7	41.62	.7	70.7
Total (1)	2.3	40.41	2.3	

(1) Shares included in the table above were purchased as part of publicly announced plans or programs, as follows:

- a. Approximately 1.7 million shares were purchased in open-market transactions under a program authorized by the Company's Board of Directors to repurchase for general corporate purposes up to \$300 million in Kellogg common stock during 2004. This repurchase program was publicly announced in a press release on December 18, 2003.
- b. Approximately .6 million shares were purchased from employees and directors in stock swap and similar transactions pursuant to various shareholder-approved equity-based compensation plans described on pages 41-42 of the Company's 2003 Annual Report to Shareholders, filed as exhibit 13.01 to the Company's 2003 Form 10-K.

Item 5. Other Information

As previously disclosed, as part of our regular compensation program, Kellogg Company currently makes grants of stock options, restricted shares and performance units to employees (including executive officers) and stock options to non-employee directors in accordance with established programs described in our proxy statement for the annual share owners meeting. The grants are made pursuant to our 2003 Long-Term Incentive Plan and our 2000 Non-Employee Director Stock Plan, copies of which are on file with the SEC. With this Form 10-Q, the Company is filing copies of the form of individual award agreements typically used in connection with such grants. Individual grants have been, and will continue to be, reported on SEC Forms 3, 4 and 5 and, in the case of named executive officers, in our proxy statement.

During the quarter covered by this report and prior to the filing of the form of award agreements included herein, Kellogg Company granted stock options through the accelerated ownership feature described below to the following named executive officers:

On August 27, 2004, Carlos M. Gutierrez exercised approximately 420,000 non-qualified stock options containing an accelerated ownership feature (AOF) and used approximately 365,000 shares of Kellogg Company stock owned to pay for the exercise price and taxes owed. An option containing an AOF feature provides the optionee with another option to purchase, at the then-current market price and for the remaining term of the original option, that number of company shares used to exercise the original options or pay taxes owed in connection with the

exercise of the options. Because his original options contained an AOF feature, Mr. Gutierrez received non-qualified stock options for approximately 365,000 shares at \$41.96, the then-current market price of Kellogg Company stock, and for the remaining terms of the original options, but otherwise with the same provisions as the original options.

On September 3, 2004, Jeffrey W. Montie exercised approximately 49,000 non-qualified stock options containing an AOF feature, using approximately 40,000 shares of Kellogg Company stock owned to pay for the exercise price and taxes owed. He received non-qualified options for approximately 40,000 shares at \$42.80, the then-current market price of Kellogg Company stock, and for the remaining terms of the original options, but otherwise with the same provisions as the original options.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

- 10.1 Separation Agreement between the Company and King T. Pouw
- 10.2 Amendment of 2003 Employment Agreement between the Company and Alan Harris
- 10.3 Retention Agreement between the Company and David Mackay
- 10.4 Form of Non-Qualified Option Agreement for Senior Executives under 2003 Long-Term Incentive Plan.
- 10.5 Form of Restricted Stock Grant Award under 2003 Long-Term Incentive Plan.
- 10.6 Form of Non-Qualified Option Agreement for Non-Employee Directors under 2000 Non-Employee Director Stock Plan
- 31.1 Rule 13a-14(e)/15d-14(a) Certification from Carlos M. Gutierrez
- 31.2 Rule 13a-14(e)/15d-14(a) Certification from Jeffrey M. Boromisa
- 32.1 Section 1350 Certification from Carlos M. Gutierrez
- 32.2 Section 1350 Certification from Jeffrey M. Boromisa

(b) Reports on Form 8-K:

The Company furnished a Report on Form 8-K dated July 26, 2004 for its second quarter 2004 results, in which it furnished a press release announcing those results under item 12 of such Report.

The Company furnished a Report on Form 8-K dated October 25, 2004 for its third quarter 2004 results, in which it furnished a press release announcing those results under item 2.02 of such Report.

KELLOGG COMPANY

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KELLOGG COMPANY

/s/ J.M. Boromisa

J.M. Boromisa
Principal Financial Officer;
Senior Vice President – Chief Financial Officer

/s/ A.R. Andrews

A.R. Andrews
Principal Accounting Officer;
Vice President – Corporate Controller

Date: November 1, 2004

KELLOGG COMPANY

EXHIBIT INDEX

Exhibit No.	Description	Electronic (E) Paper (P) Incorp. By Ref. (IBRF)
10.1	Separation Agreement between the Company and King T. Pouw	E
10.2	Amendment of 2003 Employment Agreement between the Company and Alan Harris	E
10.3	Retention Agreement between the Company and David Mackay	E
10.4	Form of Non-Qualified Option Agreement for Senior Executives under 2003 Long-Term Incentive Plan.	E
10.5	Form of Restricted Stock Grant Award under 2003 Long-Term Incentive Plan	E
10.6	Form of Non-Qualified Option Agreement for Non-Employee Directors under 2000 Non-Employee Director Stock Plan	E
31.1	Rule 13a-14(e)/15d-14(a) Certification from Carlos M. Gutierrez	E
31.2	Rule 13a-14(e)/15d-14(a) Certification from Jeffrey M. Boromisa	E
32.1	Section 1350 Certification from Carlos M. Gutierrez	E
32.2	Section 1350 Certification from Jeffrey M. Boromisa	E

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release (“Agreement”) is hereby made and entered into by and between King T. Pouw (“Employee”), whose address is 7403 Cottage Oak Drive, Portage, MI 49002, and Kellogg Company, a Delaware corporation (“Kellogg”).

1. Employee’s Departure Date. Employee’s last day of active employment was May 28, 2004 (the “Last Day Worked”) with a “Departure Date” of May 29, 2004. Except as otherwise expressly provided herein, Employee acknowledges that as of the Departure Date, the Employee's participation will cease in all of the benefit plans of Kellogg and any of its subsidiaries, divisions or affiliates (collectively, the “Company”). Employee will be entitled to receive benefits, including any right to exercise any conversion privileges, that are vested and accrued prior to the Departure Date pursuant to benefit plans and programs of the Company.

2. Consideration. In consideration for Employee entering into this Agreement and fully abiding by its terms, and assuming Employee has not revoked this Agreement as described in Paragraph 20 below, Kellogg agrees to provide Employee with the following consideration:

Severance Compensation and Benefits.

(a). Kellogg agrees to provide Employee severance compensation and benefits pursuant to the terms and conditions of the Kellogg Company Severance Benefit Plan (the “Plan”), a copy of which is attached to this Agreement as Exhibit A, and the terms of which are incorporated herein. Employee represents and warrants that Employee has read the Plan and understands its meaning and application. For purposes of the Plan, Employee agrees that Employee is, and shall receive benefits under the Plan as, a Senior Executive who is a Direct Report of the Chief Executive Officer. According to the Plan, Employee shall receive severance pay under the Plan equal to two years of base salary and two years of target bonus. Such amount shall be paid to Employee in equal installments from the Departure Date until August 28, 2008 (the “Severance Leave of Absence”) in accordance with Kellogg’s then-current payroll practices. Employee shall also receive an Annual Incentive Plan pro-rata Target Bonus (as described under the Annual Incentive Plan) for performance year 2004 payable within 30 days after the date of this Agreement. Employee shall receive all other benefits as provided under the Plan during the Severance Leave of Absence. In addition to the benefits provided under the Plan, Employee shall continue to accrue credited, vesting and eligibility service under the Kellogg Company Pension Plan during the Severance Leave of Absence; provided, however, that the additional pension benefit attributable to this provision shall be payable from the Kellogg Company Excess Benefit Retirement Plan. At the end of the Severance Leave of Absence, Employee will be eligible to retire from the Company under the Kellogg Company Pension Plan.

(b). Notwithstanding the foregoing, Employee shall not vest in any restricted stock awards (including but not limited to, the restricted stock award granted to Employee in September, 2003) during the Severance Leave of Absence. For avoidance of doubt, Employee hereby releases, waives and forfeits any and all right, title and interest in and to any and all restricted stock awards granted, and which are not fully vested, prior to the Departure Date.

(c). Employee acknowledges and agrees that: (i) usual and customary withholding for tax purposes will be withheld from any payments made to Employee pursuant to this Agreement, to the extent required by law, and (ii) all tax liability, with respect to any and all payments or services received by Employee under this Agreement (other than employer withholding and employer payroll taxes) will be Employee's responsibility.

3. No Other Compensation or Benefits Owning. Employee acknowledges and agrees that, except as otherwise expressly provided for in this Agreement and the Plan, Employee is not and will not be due any other compensation or benefits whatsoever from the Company and the Company shall have no further obligations of any kind or nature to Employee. For avoidance of doubt, Employee hereby releases, waives and forfeits any and all right, title and interest in and to any payment under the (a) 2002-2004 and 2003-2005 Executive Performance Plans (or any other Executive Performance Plan), and (b) except as expressly provided in this Agreement, the 2004 Annual Incentive Plan (and any other Annual Incentive Plan).

4. No Other Representations. Employee represents and warrants that no promise or inducement has been offered or made except as herein set forth and that Employee is entering into and executing this Agreement without reliance on any statement or representation not set forth within this Agreement by the Company, or any person(s) acting on its behalf.

5. Non-Assignment of Rights. Employee represents and warrants that Employee has not sold, assigned, transferred, conveyed or otherwise disposed of to any third party, by operation of law or otherwise, any action, cause of action, debt, obligation, contract, agreement, covenant, guarantee, judgment, damage, claim, counterclaim, liability or demand of any nature whatsoever relating to any matter covered in this Agreement.

6. Non-Compete. In further consideration of the foregoing, Employee agrees that, for a period beginning with the date of this Agreement and ending on the second anniversary of the Departure Date (the "Restricted Period"), Employee shall not, without the prior written consent of the Chief Executive Officer of Kellogg:

(a). directly or indirectly, accept any employment, consult for or with, or otherwise provide or perform any services of any nature to, for or on behalf of any person, firm, partnership, corporation or other business or entity that manufactures, produces, distributes, sells or markets any of the Products (as hereinafter defined) in the Geographic Area (as hereinafter defined).

(b). directly or indirectly, permit any business, entity or organization which Employee, individually or jointly with others, owns, manages, operates, or controls, to engage in the manufacture, production, distribution, sale or marketing of any of the Products in the Geographic Area.

For purposes of this Paragraph, the term "Products" shall mean ready-to-eat cereal products, toaster pastries, cereal bars, granola bars, frozen waffles, crispy marshmallow squares, cookies, crackers, ice cream cones, any other grain-based convenience food, or meat substitutes; the term "Geographic Area" shall mean any country in the world where the Company

manufactures, produces, distributes, sells or markets any of the Products at any time during the applicable Restricted Period.

7. Non-Solicitation. In further consideration of the foregoing, Employee agrees that during the Restricted Period, Employee shall not, without the prior written consent of the General Counsel of Kellogg, directly or indirectly employ, or solicit the employment of (whether as an employee, officer, director, agent, consultant or independent contractor) any person who is or was at any time during the previous year an officer, director, representative, agent or employee of the Company (except pursuant to an advertisement of general solicitation not directed at such parties). For avoidance of doubt, the parties acknowledge that Employee shall not be deemed to employ any person unless Employee is involved or has otherwise provided input into the decision to hire such individual. For example, if Employee is a senior executive of a company and that company hires an employee of Kellogg without Employee's involvement or input, Employee will not be deemed to have "employed" such person.

8. Non-Disparagement of the Company. Employee agrees not to engage in any form of conduct or make any statements or representations that disparage, criticize or otherwise be critical, or otherwise impair the reputation, goodwill or commercial interests, of the Company, or its past, present and future subsidiaries, divisions, affiliates, successors, officers, directors, attorneys, agents and employees. The Company agrees that neither it nor any of its Senior Executives shall engage in any form of conduct or make any statements or representations that disparage, portray in a negative light, or otherwise impairs the reputation of Employee. "Senior Executives" include Carlos Gutierrez, David Mackay, Alan Harris, John Bryant, Annunciata Cerioli, Celeste Clark, Gary Pilnick, Jeff Montie, and Brad Davidson, for as long as any such person remains employed by the Company.

9. Employment Status. Employee understands and agrees that (i) Employee's active employment with the Company ends effective May 28, 2004; and (ii) the Company has no obligation to reinstate, rehire, reemploy, recall, or hire Employee in the future.

10. Disclosure of Any Material Information. As of the date Employee signs this Agreement, Employee represents and warrants that Employee has disclosed to Kellogg any information in Employee's possession concerning any conduct involving the Company or any of its officers, directors, representatives, agents or employees that Employee has any reason to believe may be unlawful, or a material violation of Company policy applicable to Employee.

11. Return of Property. Employee agrees to return to the Company, no later than the Departure Date, all property of the Company, regardless of the type or medium (i.e., computer disk, CD-ROM) upon which it is maintained, including, but not limited to, all files, documents, correspondence, memoranda, customer and client lists, prospect lists, subscription lists, contracts, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, business acquisition plans, employee records, technical processes, designs and design projects, inventions, research project presentations, proposals, quotations, data, notes, records, photographic slides, photographs, posters, manuals, brochures, internal publications, books, films, drawings, videos, sketches, plans, outlines, computer disks, computer files, work plans, specifications, credit cards, keys (including elevator, pass, building and door keys), identification cards, and any other documents, writings and materials that

Employee came to possess or otherwise acquired as a result of and/or in connection with Employee's employment with the Company. Should Employee later find any Company property in Employee's possession, Employee agrees to immediately return it. Employee further agrees not to maintain any copies of said property or make any copies of said property available to any third-party.

12. Non-Admission of Liability. Employee understands and agrees that this Agreement does not and shall not be deemed or construed as an admission of liability or responsibility by the Company for any purpose. Employee further agrees that nothing contained in this Agreement can be used by Employee or any other past, present or future employee of the Company in any way as precedent for future dealings with the Company or any of its successors, officers, directors, attorneys, representatives, agents or employees.

13. Releases, Representations and Covenants. In consideration of the compensation and benefits provided pursuant to this Agreement, the sufficiency of which is hereby acknowledged, Employee, for Employee and for any person who may claim by or through Employee, irrevocably (except with respect to Paragraph 20 below) and unconditionally releases, waives and forever discharges the Company and its past, present and future subsidiaries, divisions, affiliates, successors, and their respective officers, directors, attorneys, agents and employees, from any and all claims or causes of action that Employee had, has or may have, known or unknown, relating to Employee's employment with and/or termination from the Company up until the date of this Agreement, including but not limited to, any claims arising under Title VII of the Civil Rights Act of 1964, as amended, Section 1981 of the Civil Rights Act of 1866, as amended, the Civil Rights Act of 1991, as amended, the Family and Medical Leave Act, the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act of 1990, the Americans with Disabilities Act, the Employee Retirement Income Security Act; claims under any other federal, state or local statute, regulation or ordinance; claims for discrimination or harassment of any kind, breach of contract or public policy, wrongful or retaliatory discharge, defamation or other personal or business injury of any kind; and any and all other claims to any form of legal or equitable relief, damages, compensation or benefits (except as set forth in subparagraph (d), below), or for attorneys fees or costs. Employee additionally waives and releases any right Employee may have to recover in any lawsuit or proceeding against the Company brought by Employee, an administrative agency, or any other person on Employee's behalf or which includes Employee in any class.

(a). No Pending Claims/Withdrawal of Claims. Employee represents and warrants that, as of the date Employee signs this Agreement, Employee has no charges, claims or lawsuits of any kind pending against the Company or any of its past, present and future subsidiaries, divisions, affiliates, successors, or their respective officers, directors, attorneys, agents and employees that would fall within the scope of the Release set forth in this Paragraph 13. To the extent that Employee has such pending charges, claims or lawsuits as of the date Employee signs this Agreement, Employee agrees to seek and obtain immediate dismissal with prejudice and provide written confirmation immediately (i.e., court order, and/or agency determination) as a condition precedent to the Kellogg's obligations under this Agreement on and after the date Employee signs this Agreement (including, but not limited to, providing any compensation or benefits under this Agreement).

(b). Covenant Not to Sue. To the maximum extent permitted by law, Employee agrees not to sue or to institute or cause to be instituted any action in any federal, state, or local agency or court against the Company, including, but not limited to, the claims released in this Paragraph 13.

(c). Remedies for Breach. If Employee breaches any portion of this Agreement (other than an immaterial breach as determined by Kellogg in its reasonable discretion), or disavows any portion of the Release, Employee shall forfeit any payments or benefits whatsoever under this Agreement and Employee acknowledges and agrees that, in addition to any damages, Employee will be obligated, to the maximum extent permitted by law, to reimburse Kellogg for all amounts paid to Employee pursuant to this Agreement and under the Plan, and, subject to Paragraph 17.d., Employee shall be liable for all expenses, including costs and reasonable attorney's fees, incurred by any entity released in defending the lawsuit or claim. Employee also hereby agrees and acknowledges that if he or she breaches this Agreement, because it would be impractical and excessively difficult to determine the actual damages to the Company as a result of such breach, any remedies at law (such as a right to monetary damages) would be inadequate. Employee, therefore agrees that, if he or she breaches this Agreement, the Company shall have the right (in addition to, and not in lieu of, any other right or remedy available to it) to a temporary and permanent injunctive relief from a court of competent jurisdiction, without posting any bond or other security and without proof of actual damage.

(d). Exclusion for Certain Claims. Notwithstanding the foregoing, Kellogg and Employee agree that the Release shall not apply to any claims arising after the date Employee signs this Agreement, nor shall anything herein prevent Employee or the Company from instituting any action to enforce the terms of this Agreement. In addition, Employee and Kellogg agree that nothing herein shall be construed to prevent Employee from enforcing any rights Employee may have under the Employee Retirement Income Security Act of 1974 to recover any vested benefits.

14. Preservation of Company Confidential Information. Employee acknowledges and agrees that previously executed Company confidentiality or non-disclosure agreements, if any, will continue to remain in effect after the Departure Date. In addition, Employee agrees that he or she shall not (without first obtaining the prior written consent in each instance from Kellogg) during the term of this Agreement or thereafter, disclose, make commercial or other use of, give or sell to any person, firm or corporation, any information from the Company or acquired or developed in the course of Employee's employment, including, by way of example only, trade secrets (including organizational charts, reporting relationships, employee information such as credentials, individual performance, skill sets, salaries and background information), , inventions, methods, designs, formulas, systems, improvements, prices, discounts, business affairs, products, product specifications, manufacturing processes, data and know-how and technical information of any kind whatsoever unless such information has been publicly disclosed by authorized officials of the Company.

15. Confidentiality of Agreement. Employee agrees that the terms of this Agreement, the events leading up to this Agreement, will not be disclosed by Employee or Employee's Representatives to any third party except for Employee's spouse, tax or legal advisor(s) ("Employee's Representatives"), provided such parties agree to keep such information

confidential and, in the case of disclosure to any such advisor, only to the extent necessary to perform services. Employee shall be primarily liable to the Company for any disclosure of the existence or terms of this Agreement by such third parties.

16. Cooperation. Employee agrees to cooperate truthfully and fully with the Company in connection with any and all existing or future investigations or litigation of any nature brought against the Company involving events that occurred during Employee's employment with the Company. Employee agrees to notify the Company immediately if subpoenaed or asked to appear as a witness in any matter related to the Company. The Company will reimburse Employee for reasonable out-of-pocket expenses and, if approved in advance by the General Counsel of Kellogg (such approval not to be unreasonably withheld), reasonable attorney's fees incurred as a result of such cooperation.

17. General.

(a). Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, in whole or in part, then that provision will be eliminated, modified or restricted in whatever manner is necessary to make the remaining provisions enforceable to the maximum extent allowable by law.

(b). Successors. This Agreement shall be binding upon, enforceable by, and inure to the benefit of Employee and Kellogg, and Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees, and to any successor or assignee of Kellogg, but neither this Agreement, nor any rights, payments, or obligations arising hereunder may be assigned, pledged, transferred, or hypothecated by Employee or Kellogg.

(c). Controlling Law and Venue. Employee agrees that the laws of the State of Michigan shall govern this Agreement. Employee also agrees that any controversy, claim or dispute between the parties, directly or indirectly, concerning this Agreement or the breach of thereof shall only be resolved in the Circuit Court of Calhoun County, or the United States District Court for the Western District of Michigan, whichever court has jurisdiction over the subject matter thereof, and the parties hereby submit to the jurisdiction of said courts.

(d). Attorney Fees. In the event of any dispute or controversy arising out of the claims described in 13(d), the prevailing party shall be entitled to reimbursement of its reasonable costs, including attorney fees, court costs, alternative dispute resolution costs and expert witnesses' fees and costs.

(e). Waiver. No claim or right arising out of a breach or default under this Agreement can be discharged by a waiver of that claim or right unless the waiver is in writing signed by the party hereto to be bound by such waiver. A waiver by either party hereto of a breach or default by the other party of any provision of this Agreement shall not be deemed a waiver of future compliance therewith and such provision shall remain in full force and effect.

(f). Notices. All notices, requests, demands and other communications regarding this Agreement shall be in writing and delivered in person or sent by registered or certified mail, postage prepaid, return receipt requested, and properly addressed as follows:

To Kellogg: Kellogg Company
One Kellogg Square
P.O. Box 3599
Battle Creek, MI 49016

Attention: General Counsel

With a copy to:

Kellogg Company
One Kellogg Square
P.O. Box 3599
Battle Creek, MI 49016

Attention: Chief Counsel, Labor and Employment

To Employee: At the address set forth in the preamble of this Agreement.

(g) Continuation of Indemnification and Insurance. Kellogg shall continue to indemnify Employee in accordance with the By Laws to the fullest extent permitted by law for his acts while an officer of the Company, and shall continue to provide coverage under Kellogg's Directors and Officers Insurance policy for such acts.

18. Entire Agreement/Amendment. Employee agrees that this Agreement, including any Exhibits attached hereto, the Plan and the Stock Option Agreements related to vested options, constitutes the entire agreement between Employee and Kellogg, and that this Agreement supersedes any and all prior and/or contemporaneous written and/or oral agreements relating to Employee's employment with the Company and termination therefrom. Employee acknowledges that this Agreement may not be modified except by written document, signed by Employee and the General Counsel of Kellogg.

19. Knowing and Voluntary Action. Employee acknowledges that Employee has been advised to consult an attorney before signing this Agreement. Employee further acknowledges that Employee has read this Agreement and any Exhibits attached hereto; has been given a period of at least twenty-one (21) days to consider this Agreement; understands its meaning and application; and is signing of Employee's own free will with the intent of being bound by it. If Employee elects to sign this Agreement prior to the expiration of twenty-one (21) days, Employee has done so voluntarily and knowingly, without any improper inducement or coercion by the Company.

20. Revocation of Agreement. Employee further acknowledges that Employee may revoke this Agreement at any time within a period of seven (7) days following the date Employee signs this Agreement. Notice of revocation shall be made in writing

EXECUTION COPY

addressed to Kellogg in accordance with Paragraph 17(e) above. Such revocation must be received by Kellogg by the close of business of the first day following the end of the seven (7) day revocation period. This Agreement shall not become effective until after the time period for revocation has expired.

IN WITNESS WHEREOF, the parties have executed and agreed to this Agreement.

EMPLOYEE

KELLOGG COMPANY

By: /s/ King Pouw

By: /s/ Carlos M. Gutierrez

Date: 07/07/04

Date: 07/07/04

Amendment

This Amendment (the "Amendment") is made and entered into as of July 16, 2004 by and between Kellogg Company, a Delaware corporation ("Kellogg", together with its subsidiaries, divisions, affiliates and successors, the "Company"), and Alan Harris ("Employee").

WHEREAS, Kellogg has entered into an agreement with Employee dated September 22, 2003 (the "Original Agreement"); and

WHEREAS, Kellogg and Employee desire to amend the Original Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Paragraph 1 of the Original Agreement is deleted in its entirety and replaced with the following:

1. Title and Employment Duties. Employee shall serve as the Company's Executive Vice President, Chief Marketing and Customer Officer and perform the duties commensurate with such position.

2. Paragraph 4(d), 4(e) and 4(f) of the Original Agreement are deleted in their entirety and replaced with the following:

Employee may at any time terminate Employee's employment for "Good Reason." Termination for "Good Reason" means termination by Employee because of (i) a reduction in Employee's base salary or target bonus percentage (i.e., 75%) under the Annual Incentive Plan, as in effect from time to time or failure to be included as a participant in the 2004 or 2005 EPP, provided such plan(s) exist, (ii) the Company's failure to provide any fringe benefit plan or substantially similar benefit or compensation plan which has been made generally available to other management employees of the Company; *provided, however*, that nothing in this clause shall be construed to constrain the Company from amending or eliminating any benefit or compensation plan; (iii) a breach by the Company of its obligations to Employee under this Agreement in any material respect, or (iv) a material reduction in Employee's responsibilities or duties as in effect immediately prior to such change, *provided however*, that in the case of each of clauses (i) through (iv) hereof, Employee must provide written notice of any such alleged action of the Company within thirty (30) days of the date Employee knew of such action and the Company shall have thirty (30) days from such written notice to cure such action. If Employee's employment is terminated (i) prior to December 31, 2005 by

Employee with Good Reason, or (ii) after December 31, 2005 for any reason other than for “Cause,” Employee shall be entitled to (i) severance benefits as provided by the Kellogg Company Severance Benefit Plan, as amended from time to time (the “Severance Plan”), provided that Employee is otherwise eligible for receipt of such benefits as provided for by the Severance Plan (e.g., Employee has delivered a full release of the Company), and (ii) pension credit as provided in paragraph 3 hereof as though Employee had worked through December 31, 2005.

3. Paragraph 5(a) (ii) (A) of the Original Agreement is deleted in its entirety and replaced with the following:

- A. the term “Products” shall mean ready-to-eat cereal products, toaster pastries, cereal bars, granola bars, frozen waffles, crispy marshmallow squares, cookies, crackers, ice cream cones, any other grain-based convenience food, fruit snacks, meat substitutes, or any other products which the Company manufactures, distributes, sells or markets (or intends to manufacture, distribute, sell or market) at the time of Employee’s departure from the Company.

4. Paragraph 5(c) of the Original Agreement is deleted in its entirety and replaced with the following:

Employee agrees not to engage in any form of conduct or make any statements or representations that disparage, portray in a negative light, or otherwise impair the reputation, goodwill or commercial interests of the Company, or its past, present and future subsidiaries, divisions, affiliates, successors, or their officers, directors, attorneys, agents and employees. Certain Company Executives (as defined herein) agree not to engage in any form of conduct or make any statements or representations that disparage, portray in a negative light, or otherwise impair the reputation of Employee. For purposes of this Paragraph, “Certain Company Executives” means the members of the Executive Management Committee at the time of Employee’s departure from the Company and for that period of time such individuals are employees of the Company.

5. Conflict; Entire Agreement; Amendment. Except as expressly modified herein, the Original Agreement remains unmodified in full force and effect. In the event of any conflict or inconsistency between the terms of the Original Agreement and this Amendment, this Amendment shall control. Employee agrees that the Original Agreement (as amended by this Amendment) and the Change of Control Agreement constitute the entire agreement between Employee and the Company, and that the Original Agreement (as amended by this Amendment) and the Change of

Control Agreement supersede any and all prior and/or contemporaneous written and/or oral agreements relating to Employee's employment with the Company and termination therefrom. Employee acknowledges that the Original Agreement (as amended by this Amendment) may not be modified except by written document, signed by Employee and the General Counsel the Company.

IN WITNESS WHEREOF, the parties have executed and agreed to this Employment Agreement on the dates provided below.

EMPLOYEE

KELLOGG COMPANY

By: /s/ Alan Harris

By: /s/ Carlos M. Gutierrez

Date: 27 July 04

Date: 27 July 04

Retention Agreement

This Retention Agreement (the “Agreement”) is made and entered into as of August __, 2004 by and between Kellogg Company, a Delaware corporation (“Kellogg”, together with its subsidiaries, divisions, affiliates and successors, the “Company”) and David Mackay (“Employee”).

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Benefits.
 - a. Provided Employee remains employed with the Company through December 31, 2005, Employee would be eligible to begin a leave of absence beginning December 31, 2005 and ending August 16, 2010 (the “Leave of Absence”), and said Leave of Absence shall commence when Employee’s employment terminates with the Company, as provided in this Agreement. During the Leave of Absence, Employee would accrue vesting service (i.e., for retirement eligibility purposes only and not for purposes of calculating Employee’s benefit amount) under the Kellogg Company Pension Plan; provided, however, that the additional pension benefit attributable to this provision shall be payable from the Kellogg Company Excess Benefit Retirement Plan. At the end of the Leave of Absence, Employee would be eligible to retire from the Company under the Kellogg Company Pension Plan, and if Employee elects to retire, Employee shall be eligible to receive retirement benefits which are provided at the time of Employee’s retirement to salaried retirees of Kellogg in accordance with the terms of the benefit plans.
 - b. During the Leave of Absence, you would be eligible to receive the benefits) provided under the Kellogg Company Severance Benefit Plan, as amended from time to time (the “Severance Plan”) at such time, provided that the severance pay shall be paid in equal installments over the Leave of Absence consistent with the Company’s then-current payroll practices. Kellogg reserves the right to amend, modify, and/or terminate its benefits plans, and you shall be subject to any such changes, except as expressly otherwise provided in this letter. All other Kellogg-provided benefits (e.g., short term and long term disability, vacation accrual, option grants, and the Employee Stock Purchase Program) shall cease as of your termination date.
- 2.

Termination. Notwithstanding any to the contrary in this letter agreement:

- a. If Employee's employment is terminated by reason of Employee's death or disability, Employee's estate or Employee, as the case may be, shall be entitled to receive benefits provided under Kellogg's general policy for such events and, if such termination occurs after December 31, 2005, the benefits specified in Paragraph 1 hereof.
- b. The Company may, at any time, terminate Employee's employment under this Agreement with or without "Cause." Termination for "Cause" means termination by the Company because of (i) theft, embezzlement, or fraud by Employee pursuant to which the Company has suffered a loss, or conspiracy by Employee to commit any of the foregoing, (ii) incapacity on the job by reason of Employee's abuse of alcohol or drugs, (iii) commission by Employee of a crime involving moral turpitude, or an act of dishonesty by Employee in connection with the performance of Employee's duties hereunder, (iv) a willful and knowing violation by Employee of any law or regulation respecting the business of the Company, (v) a breach of any fiduciary duty owed by Employee to the Company in any material respect, (vi) breach by Employee of any of the provisions of this Agreement in any material respect, or (vii) failure of Employee to perform his duties in any material respect as required under this Agreement; *provided, however,* that in the case of clauses (vi) and (vii) hereof, if such breach or failure is capable of being cured within thirty (30) days, the Company must provide written notice of such breach or failure within thirty (30) days of its discovery thereof, and Employee shall have thirty (30) days from such written notice to cure such breach or failure. Upon termination of this Agreement pursuant to this Paragraph 2.b., Employee shall be entitled to receive any salary earned and not paid up to the date of termination, which shall be subject to set-off to the maximum extent permitted by law if the Company has encountered a loss by reason of the action permitting the Company to terminate Employee for Cause, and, notwithstanding any other Paragraph herein, Employee shall not be entitled to any further compensation. For avoidance of doubt, if Employee's employment is terminated for any reason prior to December 31, 2005, Employee shall forfeit any benefits described in Paragraph 1; provided, however, Employee shall be eligible to receive the benefits under the Severance Plan, subject to the terms and conditions thereof.
- c. Notwithstanding any other provision in this Agreement, if (i) Employee's employment is terminated prior to December 31, 2005 and (ii) at the time of such termination, Employee qualifies for benefits under Section 5 of the Employment Agreement between Employee and Kellogg dated July 26, 2000 (the "Change of Control Agreement"), then Employee shall be eligible for the benefits

described in Paragraph 1 and shall immediately begin the Leave of Absence on the date of such termination.

3. Covenants and Release.

a. Non-compete. (i) For a period of two years beginning with the date Employee's employment with the Company ends (the "Restricted Period"), Employee shall not:

A. directly or indirectly, accept any employment, consult for or with, or otherwise provide or perform any services of any nature to, for or on behalf of any person, firm, partnership, corporation or other business or entity that manufactures, produces, distributes, sells or markets any of the Products (as hereinafter defined) in the Geographic Area (as hereinafter defined).

B. directly or indirectly, permit any business, entity or organization which Employee, individually or jointly with others, owns, manages, operates, or controls, to engage in the manufacture, production, distribution, sale or marketing of any of the Products in the Geographic Area.

(ii) For purposes of this Paragraph 3a.:

A. the term "Products" shall mean ready-to-eat cereal products, toaster pastries, cereal bars, granola bars, frozen waffles, crispy marshmallow squares, cookies, crackers, ice cream cones, fruit snacks, meat substitutes, any other grain-based convenience food or any other product which the Company manufactures, distributes, sells or markets;

B. the term "Geographic Area" shall mean any country in the world where the Company manufactures, produces, distributes, sells or markets any of the Products at any time during the applicable Restricted Period.

b. Non-solicitation. Employee agrees that during his employment and during the Leave of Absence and thereafter for a period of two years, Employee shall not, without the prior written consent of the General Counsel of Kellogg, directly or indirectly employ, or solicit the employment of (whether as an employee, officer, director, agent, consultant or independent contractor) any person who is or was at any time during the

previous year an officer, director, representative, agent or employee of the Company.

- c. Non-Disparagement. Employee agrees not to engage in any form of conduct or make any statements or representations that disparage, portray in a negative light, or otherwise impair the reputation, goodwill or commercial interests of the Company, or its officers, directors, attorneys, agents and employees. Certain Company Executives (as defined herein) agree not to engage in any form of conduct or make any statements or representations that disparage, portray in a negative light, or otherwise impair the reputation of Employee. For purposes of this Paragraph, "Certain Company Executives" means the members of the Executive Management Committee at the time of Employee's departure from the Company and for that period of time such individuals are employees of the Company.
- d. Preservation of Company Confidential Information. Employee agrees that he shall not (without first obtaining the prior written consent in each instance from the Company) during the term of this Agreement or thereafter, disclose, make commercial or other use of, give or sell to any person, firm or corporation, any information received directly or indirectly from the Company or acquired or developed in the course of Employee's employment, including, by way of example only, trade secrets (including organizational charts, reporting relationships, employee information such as credentials, individual performance, skill sets, salaries and background information), ideas, inventions, methods, designs, formulas, systems, improvements, prices, discounts, business affairs, products, product specifications, manufacturing processes, data and know-how and technical information of any kind whatsoever unless such information has been publicly disclosed by authorized officials of the Company.
- e. Release. In consideration of the compensation and benefits provided pursuant to this Agreement, the sufficiency of which is hereby acknowledged, Employee, for Employee and for any person who may claim by or through Employee, irrevocably and unconditionally releases, waives and forever discharges the Company and its respective officers, directors, attorneys, agents and employees, from any and all claims or causes of action that Employee had, has or may have, known or unknown, relating to Employee's employment with the Company up until the date of this Agreement, including but not limited to, any claims arising under Title VII of the Civil

Rights Act of 1964, as amended, Section 1981 of the Civil Rights Act of 1866, as amended, the Civil Rights Act of 1991, as amended, the Family and Medical Leave Act, the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act of 1990, the Americans with Disabilities Act, the Employee Retirement Income Security Act; claims under any other federal, state or local statute, regulation or ordinance; claims for discrimination or harassment of any kind, breach of contract or public policy, wrongful or retaliatory discharge, defamation or other personal or business injury of any kind; and any and all other claims to any form of legal or equitable relief, damages, compensation or benefits (except rights Employee may have under the Employee Retirement Income Security Act of 1974 to recover any vested benefits), or for attorneys fees or costs. Employee additionally waives and releases any right Employee may have to recover in any lawsuit or proceeding against the Company brought by Employee, an administrative agency, or any other person on Employee's behalf or which includes Employee in any class.

4. Miscellaneous.

- a. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, in whole or in part, then that provision will be eliminated, modified or restricted in whatever manner is necessary to make the remaining provisions enforceable to the maximum extent allowable by law.
- b. Controlling Law and Venue. Employee agrees that the laws of the State of Michigan shall govern this Agreement. Employee also agrees that any controversy, claim or dispute between the parties, directly or indirectly, concerning this Agreement or the breach of thereof shall only be resolved in the Circuit Court of Calhoun County, or the United States District Court for the Western District of Michigan, whichever court has jurisdiction over the subject matter thereof, and the parties hereby submit to the jurisdiction of said courts.
- c. Entire Agreement; Amendment. Employee agrees that this Agreement, the Change of Control Agreement, and the Agreement between Employee and Kellogg dated September 1, 2003 (the "September Agreement") constitute the entire agreement between Employee and the Company, and that these agreements supersede any and all prior and/or contemporaneous written and/or oral agreements relating to Employee's employment with the Company and termination therefrom. In the event of any conflict or

inconsistency between the terms of the September Agreement and this Agreement, this Agreement shall control. Employee acknowledges that this Agreement may not be modified except by written document, signed by Employee and the General Counsel of Kellogg.

- d. Employment Relationship. Employee acknowledges and agrees that his employment with the Company described in this letter is an at-will employment relationship, and that only the General Counsel of Kellogg may modify this provision, and any modification must be in writing signed by both parties.
- e. Taxes. Usual and customary withholding for tax purposes will be withheld from any payments made to Employee pursuant to this Agreement, to the extent required by law. All tax liability with respect to any and all payments or services received by Employee under this Agreement (other than employer withholding and employer payroll taxes) will be Employee's responsibility.
- f. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have executed and agreed to this Employment Agreement on the dates provided below.

EMPLOYEE

KELLOGG COMPANY

By: /s/David Mackay

By: /s/ Carlos M. Gutierrez

Date: 8/17/2004

Date: 8/24/04

KELLOGG COMPANY Non-Qualified Stock Award

Kellogg Company (the “Company”), pursuant to action of the Compensation Committee of its Board of Directors, hereby awards to you the right and option to purchase from the Company all or any part of the number of shares of the Common Stock of the Company, (par value \$.25 per share) shown below, at the option price per share shown below, in accordance with and subject to the terms, conditions and provisions of the plan named below (the “Plan”) and the attached Kellogg Company 2003 Long Term Incentive Plan Option Terms and Conditions (the “Terms and Conditions document”). The Terms and Conditions document and this Non-Qualified Stock Option Award collectively constitute the Option.

Plan: Kellogg Company 2003 Long Term Incentive Plan

Name:

Number of Shares:

Award Date:

Stock Price: \$

Please retain this document for your records

If you are a new participant in the plan, you will receive additional materials from Merrill Lynch, the plan administrator, at a later date which provide more details on the Stock Program.

The Terms and Conditions document that relates to this Stock Option Award, is part of, and must be attached to, this Stock Option Award - see your manager if it is not.

Kellogg Company
2003 Long Term Incentive Plan
OPTION TERMS AND CONDITIONS
FOR SR EXECUTIVES

1. Kellogg Company (the “Company”) awards to you and you accept an option to purchase the number of shares of the Company’s Common Stock (\$0.25 par value) (the “Common Stock”) at the option price per share on the date of award described in the Non-Qualified Stock Option Award (the “Award Date”) and distributed to you with this Terms and Conditions document (such document, together with the Non-qualified Stock Option Award, being the “Option”).
2. This Option is not a tandem grant nor an Incentive Stock Option under the provisions of the U.S. Internal Revenue Code and, notwithstanding any other provision of this Option or the Kellogg Company 2003 Long Term Incentive Plan (the “Plan”), it must be exercised prior to the expiration of ten (10) years from the Award Date (the “Expiration Date”). This Option vests and becomes exercisable in equal installments over two (2) years: 50% on the first anniversary date of the grant and the remaining 50% on the second anniversary date of the grant. It is your responsibility to exercise this Option prior to its Expiration Date, just as is the case with any other employee stock option. The Company has no obligation to notify or contact you prior to the Expiration Date of this Option, or any other option.
3. This Option fully vests if your employment terminates because of death, Disability (as defined in the Plan) or Retirement (as defined in the Plan). If your employment terminates because of death, the legal representative of your estate or your beneficiary, if so designated, may exercise this Option before the first to occur of the Expiration Date and the day after the first anniversary of your death. If your employment terminates because of Disability or Retirement, you may exercise this Option before the first to occur of the Expiration Date and the day after the fifth anniversary of your termination of employment due to Disability or Retirement.
4. If the Company terminates your employment for cause or if you voluntarily terminate employment, vesting stops as of the date of your termination of employment and any vested portion of this Option must be exercised by you prior to such termination date (or the Expiration Date, if earlier).
5. If the Company terminates your employment without cause, vesting stops as of your date of termination of employment and any vested portion of this Option must be exercised by you before the first to occur of the Expiration Date and the date that is three months and one day following the date of your termination of employment.
6. In the event of a Change of Control, as defined in the Plan, this Option becomes fully exercisable and vested as of the date of such Change of Control.

7. This Option may be exercised, in whole or in part during the term, by contacting Merrill Lynch at 1- 866-866-4050 or 1-609-818-8669 (outside of the U.S., Canada, or Puerto Rico), or the Merrill Lynch Grand Rapids Office at 1-877-884-4371 or 1-616-774-4252 (outside of the U.S., Canada, or Puerto Rico). The Option may be exercised by paying the exercise price in cash or surrendering (or attesting to) shares of Common Stock duly owned by you as provided in the Plan, based on the Fair Market Value (as provided in the Plan) or via a buy/sell exercise with Merrill Lynch.
8. The Company shall have the right to deduct or otherwise require any payment by you of any Federal, state, local or foreign taxes required by law to be withheld. The Company has the right to deduct or require this payment prior to, and as a condition precedent to, issuing or delivering any shares of Common Stock, to you pursuant to this Option. Subject to any terms and conditions which the Committee (as defined in the Plan) may impose, the minimum required withholding obligation may be satisfied by reducing the number of shares of Common Stock otherwise deliverable pursuant to this Option.
9. You will not receive any accelerated ownership feature or “reload” options when this Option is exercised or any tax withholding is paid using shares of Common Stock or otherwise.
10. This Option shall be construed according to the laws of the State of Delaware (regardless of the law that might otherwise govern under applicable Delaware principles of conflict laws) to the extent not superseded by Federal U.S. law.
11. If you exercise any portion of this Option and voluntarily leave employment of the Company or any of its subsidiaries within one (1) year after such exercise to work for a direct competitor of the Company or any of its subsidiaries, then the gain on exercise represented by the mean market price of the Common Stock on the date of exercise over the exercise price, multiplied by the number of shares purchased, less any tax withholding or tax obligations (“Option Gain”), without regard to any subsequent market price decrease or increase, shall be immediately due and payable by you without notice, to the Company.
12. If at any time during the term of the Option, you engage in any activity in competition with any activity of the Company or any of its subsidiaries, or contrary or harmful to the interest of the Company or any of its subsidiaries including, but not limited to: (i) conduct related to employment for which either criminal or civil penalties against you may be sought; (ii) violation of Company (or any subsidiary’s) policies, including, without limitation, the Company’s insider trading policy; (iii) accepting employment with or serving as a consultant, advisor, or in any other capacity to an entity or person that is in competition with or acting against the interests of the Company or any of its subsidiaries, including employing or recruiting any present, former, or future employee of the Company or any of its subsidiaries; (iv) disclosing or misusing any confidential information or material concerning the Company or any of its

subsidiaries; or (v) participating in a hostile takeover attempt, then this Option shall terminate immediately without notice effective the date on which you perform such activity, unless terminated sooner by operation of another term or condition of this Option or the Plan.

13. Any amounts the Company or any subsidiary owes you from time to time (including amounts owed to you as wages or other compensation, fringe benefits, or vacation pay, as well as, any other amounts owed to you by the Company or any subsidiary) may be offset, to the extent of the amounts you owe the Company under paragraphs 11 and 12 above. Whether or not the Company elects to make any set-off for the full amount owed, calculated as set forth above, you agree to pay immediately the unpaid balance to the Company. You may be released from obligations under this paragraph only if the Compensation Committee of the Board of Directors of the Company (the "Committee") (or its duly appointed agent) determines in its sole discretion that such action is in the best interests of the Company.
14. This Option shall be personal to you and not be assignable or transferable by you except as otherwise specifically provided in this document or the Plan
15. In the event of any conflict between the Plan and this Option, the provisions of the Plan shall control and this Option shall be deemed modified accordingly.
16. The Plan and this Option shall be administered and interpreted by the Committee, as provided in the Plan. Any decision, interpretation or other action made or taken in good faith by the Committee, arising out of or in connection with the Plan shall be final, binding and conclusive on the Company and all employees and their respective heirs, executors, administrators, successors and assigns. Determinations by the Committee, including without limitation determinations of employee eligibility, the form, amount and timing of awards, the terms and provisions of awards, and the agreements evidencing awards, need not be uniform and may be made selectively among eligible employees who receive or are eligible to receive awards, hereunder, whether or not such eligible employees are similarly situated. The Committee may amend this Option to the extent provided in the Plan or this Option.
17. You agree and understand that applicable securities laws and stock option exchange rules may restrict your right to exercise this Option or to dispose of any shares which you may acquire upon any such exercise and may govern the manner in which such shares must be sold. You acknowledge receipt of a copy of the prospectus (including all supplements and amendments thereto) most recently issued by the Company under the Securities Act of 1933, as amended relating to the Plan. The prospectus consists of a Statement of General Information and a Statement of Availability of Information. You also acknowledge that you have no right to receive any future option grants.
18. This document does not confer on you any right to continue in the employ of the Company or any subsidiary, nor does it interfere with the Company's or any subsidiary's right to terminate your employment or alter other duties at any time. This

Option will not be deemed to be compensation for purposes of computing benefits under any retirement plan of the Company or any of its subsidiaries or affiliates, nor will it affect benefits under any other benefit plan, including any benefit plan under which the availability or amount of benefits is related to compensation.

19. In the event the Company is required to or elects to expense the cost of Stock Options, the Committee shall have the ability to substitute, without receiving your permission, Stock Appreciation Rights to be paid only in shares of Common Stock for any or all outstanding Stock Options on a one-for-one basis; so long as the term of the substituted Stock Appreciation Rights is the same as the term of the Stock Options and the exercise price of the Stock Appreciation Rights is the same as the exercise price of the Stock Options. If this provision creates adverse accounting consequences for the Company, it shall be considered null and void.
20. You can transfer this Option to (a) members of your immediate family (spouse, children, stepchildren, grandchildren); (b) a trust of the benefit of such family members; (c) a partnership whose only partners are such family members; and (d) pursuant to decrees of domestic relations orders from tribunals or agencies of competent jurisdiction authorized by laws in the state to provide such orders. The Company shall not be obligated to provide any family member notices regarding this Option, including, but not limited to, early termination of this Option due to termination of the transferor's employment. Consideration cannot be paid for the transfer of this Option. All terms and conditions applicable to this Option prior to its transfer shall remain in place. Subsequent transfers by the transferee are not permitted except by the laws of descent and distribution, and by will.

12/15/2003

Exhibit 10.5

Stock Grant Award- _____

Stock Grant Overview	
Number of shares	
Vesting	Your shares will vest on _____. If you die, are Disabled or Retire as defined in the "Plan" prior to the vesting date, vesting will not accelerate but will instead occur on the dates described above. You will forfeit your shares if you are no longer employed by the Company for reasons other than death, disability, retirement or Change of Control prior to the vesting date.
Taxes	Income taxes will be due when the shares vest. At that time, you will be obligated to pay the appropriate withholding taxes by selling shares.
Dividends	Paid quarterly during the vesting period if and when authorized by the Board of Directors.
Voting	You will receive a proxy beginning in _____ and have the same voting rights as other shareowners.
Administrator	You will not receive any stock certificates. Instead, your shares will be held by Wells Fargo (1-877-910-5385).

You do not need to fill out any forms or take any action at this point unless you are interested in making a special tax election to pay taxes on your stock grant immediately instead of at vesting. If you are, see the section titled "Special Tax Election" on the attached Plan Summary for details.

You will receive additional information shortly after the shares vest regarding the amount of taxes owed at vesting and number of shares (net of taxes) that will be deposited into an unrestricted dividend reinvestment account at Wells Fargo.

In the interim, if you have any questions about this program, contact your Area Total Compensation representative (outside North American) or Jeanine Allen in Battle Creek at extension 3492.



**Kellogg Company 2000 Non-Employee
Director Stock Plan
Non-Qualified Stock Option Award**

Kellogg Company (the "Company") hereby awards to you the right and option to purchase from the Company all or any part (in whole shares) of the number of shares shown below of the Common Stock of the Company, par value \$.25 per share, at the Option Price per share shown below, in accordance with and subject to the terms and conditions of, the Kellogg Company 2000 Non-Employee Director Stock Plan and the Option Agreement set forth in the attachment. The Option Agreement, together with this Non-Qualified Stock Option Award, collectively constitute the Option.

Name: _____

Number of Shares: _____

Award Date: _____

Option Price: \$_____

Please retain this document for your records

Kellogg Company 2000 Non-Employee Director Stock Plan

OPTION AGREEMENT

1. This Option is subject to its terms, which include the terms and conditions of the Kellogg Company 2000 Non-Employee Director Stock Plan. Acceptance of this Option, and the exercise of this Option, will constitute your acceptance of its terms, including the terms and conditions of the Kellogg Company 2000 Non-Employee Director Stock Plan.

2. The Company awards to you and you accept this Option to purchase the number of shares of the Common Stock of the Company shown at the option price per share on the date of award shown.

3. This Option is not an Incentive Stock Option under the provisions of the Internal Revenue Code and it must be exercised prior to the expiration of ten (10) years from the date of this award. This Option vests 100% on the date of award.

4. Subject to the following sentence, this Option may be exercised only with respect to whole shares beginning six months following the date of award, in whole or in part, by contacting Merrill Lynch at 1-877-884-4371 or 1-616-774-4216. In the event of a Change In Control (as defined in the Kellogg Company 2000 Non-Employee Director Stock Plan), this Option shall become fully exercisable. You may exercise this Option by making payment, in full, either in cash or by surrendering (or attesting to ownership of) shares of Common Stock, and provide acceptable proof that you have owned such shares for at least six months, or a combination of cash and shares, in an amount equal to the aggregate purchase price for the number of shares then being exercised. Any shares surrendered or being attested to shall be valued at the Fair Market Value (as defined in the Kellogg Company 2000 Non-Employee Director Stock Plan) on the exercise date.

5. In the event you exercise this Option and pay the exercise price and tax withholding in whole or in part by surrendering shares of the Common Stock, or attesting to the ownership of shares, and provide acceptable proof that the shares surrendered or attested to were owned for at least six months prior to the date of exercise, then you may, to the extent permitted by the Compensation Committee, receive an accelerated ownership feature option ("AOF option"), sometimes referred to as a "Reload" option, to purchase a number of shares of Common Stock equal to the number of shares delivered to pay the option price or delivered or attested to for tax withholding obligations. Such AOF option would be exercisable for a term ending on the same date as the original Option exercised and the option price of the AOF option would be the Fair Market Value on the date it is awarded. AOF options may be awarded only if no other AOF option has been awarded to you within the period prescribed by the Compensation Committee and you comply with any other requirements prescribed by the Compensation Committee or the Kellogg Company 2000 Non-Employee Director Stock Plan.

6. This Agreement shall be construed according to the laws of the State of Delaware (regardless of the law that might otherwise govern under applicable Delaware principles of conflict laws) to the extent not superseded by Federal U.S. law.

CERTIFICATION

I, Carlos M. Gutierrez, Chairman of the Board and Chief Executive Officer of Kellogg Company, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kellogg Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2004

/s/ Carlos M. Gutierrez

Chairman of the Board and Chief Executive Officer

CERTIFICATION

I, Jeffrey M. Boromisa, Senior Vice President and Chief Financial Officer of Kellogg Company, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kellogg Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2004

/s/ Jeffrey M. Boromisa

Senior Vice President
and Chief Financial Officer

SECTION 1350 CERTIFICATION

I, Carlos M. Gutierrez, Chairman of the Board and Chief Executive Officer of Kellogg Company hereby certify, on the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

- (1) the Quarterly Report on Form 10-Q of Kellogg Company for the quarter ended September 25, 2004 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Kellogg Company.

/s/ Carlos M. Gutierrez

Name: Carlos M. Gutierrez
Title: Chairman of the Board
and Chief Executive Officer

A signed copy of this original statement required by Section 906 has been provided to Kellogg Company and will be retained by Kellogg Company and furnished to the Securities and Exchange Commission or its staff on request.

Date: November 1, 2004

SECTION 1350 CERTIFICATION

I, Jeffrey M. Boromisa, Senior Vice President and Chief Financial Officer of Kellogg Company hereby certify, on the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

- (1) the Quarterly Report on Form 10-Q of Kellogg Company for the quarter ended September 25, 2004 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Kellogg Company.

/s/ Jeffrey M. Boromisa

Name: Jeffrey M. Boromisa
Title: Senior Vice President
and Chief Financial
Officer

A signed copy of this original statement required by Section 906 has been provided to Kellogg Company and will be retained by Kellogg Company and furnished to the Securities and Exchange Commission or its staff on request.

Date: November 1, 2004