



Strong Today, Leading for Tomorrow

Consumer Analyst Group of New York (CAGNY)

February 21, 2017

Tyson Foods

Forward Looking Statements

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



TYSONS FEED & HATCHERY

New Hampshire - White Crosses

BABY CHICKS EVERY DAY OF YEAR

SPRINGDALE 2 MI.

AGENDA

- 1**
— **STRONG TODAY,
LEADING FOR TOMORROW**
- 2**
— **BUILDING A MODERN
GROWTH PORTFOLIO**
- 3**
— **LEADING THE WAY IN
FOOD SUSTAINABILITY**

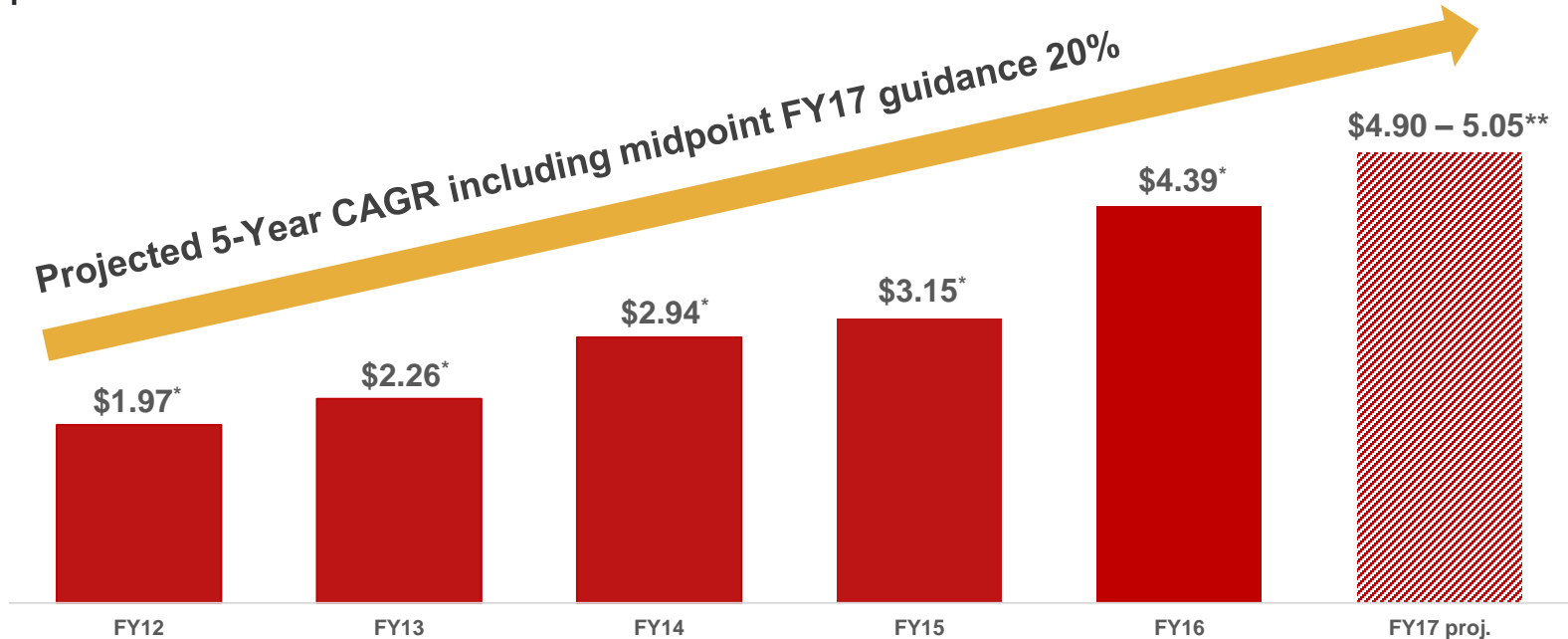
A photograph of a lush green cornfield under a clear sky. In the background, a red barn with a white roof is visible, slightly out of focus. The foreground is filled with tall, vibrant green corn stalks, some in sharp focus and others blurred, creating a sense of depth. The overall scene is bright and healthy, suggesting a successful growing season.

**STRONG TODAY
LEADING FOR
TOMORROW**

STRONG TODAY

Consistent EPS Growth

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

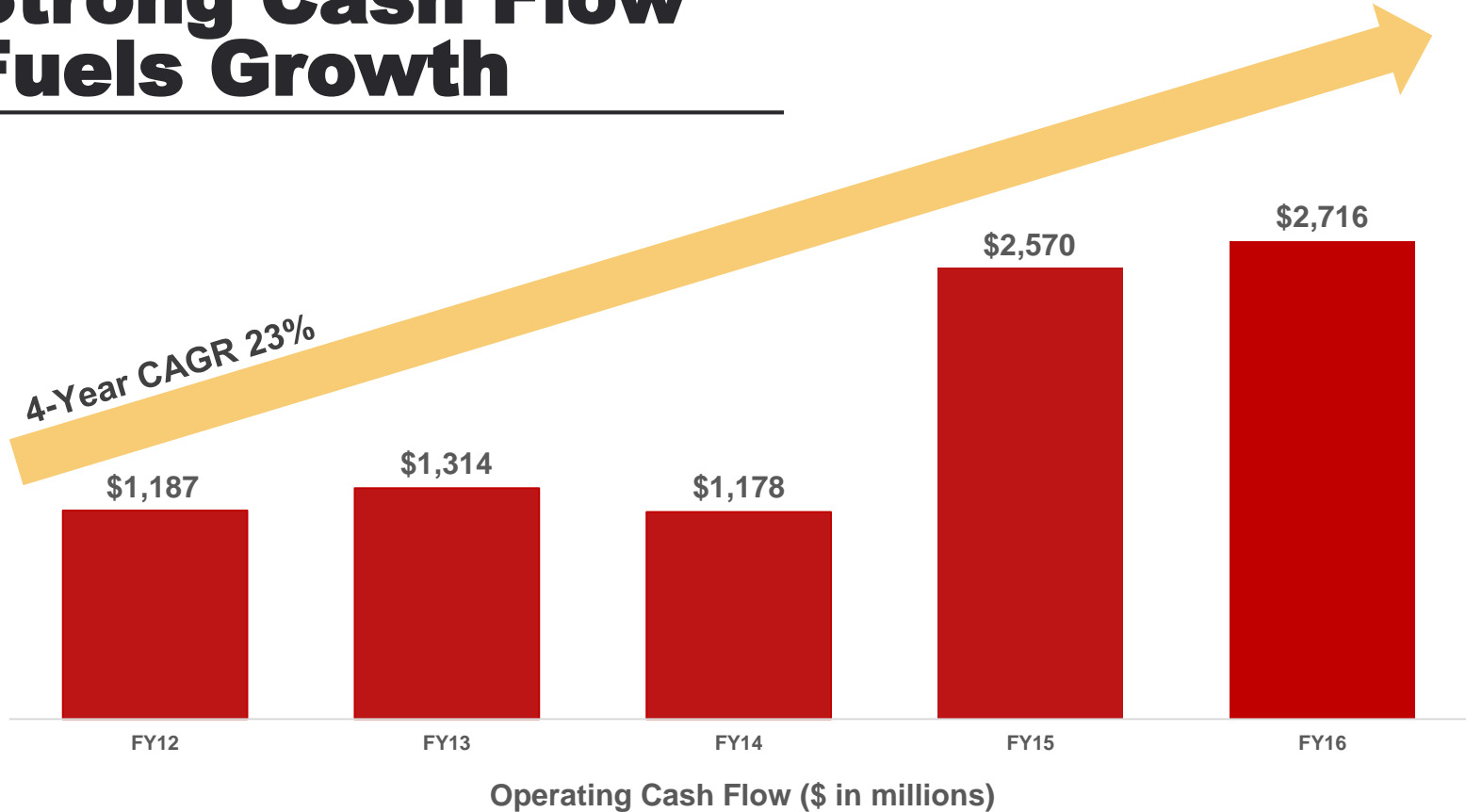


*Represents a non-GAAP financial measure. Adjusted EPS is explained and reconciled in the Appendix at "EPS Reconciliations."

**Projected EPS guidance as of 2/06/17

STRONG TODAY

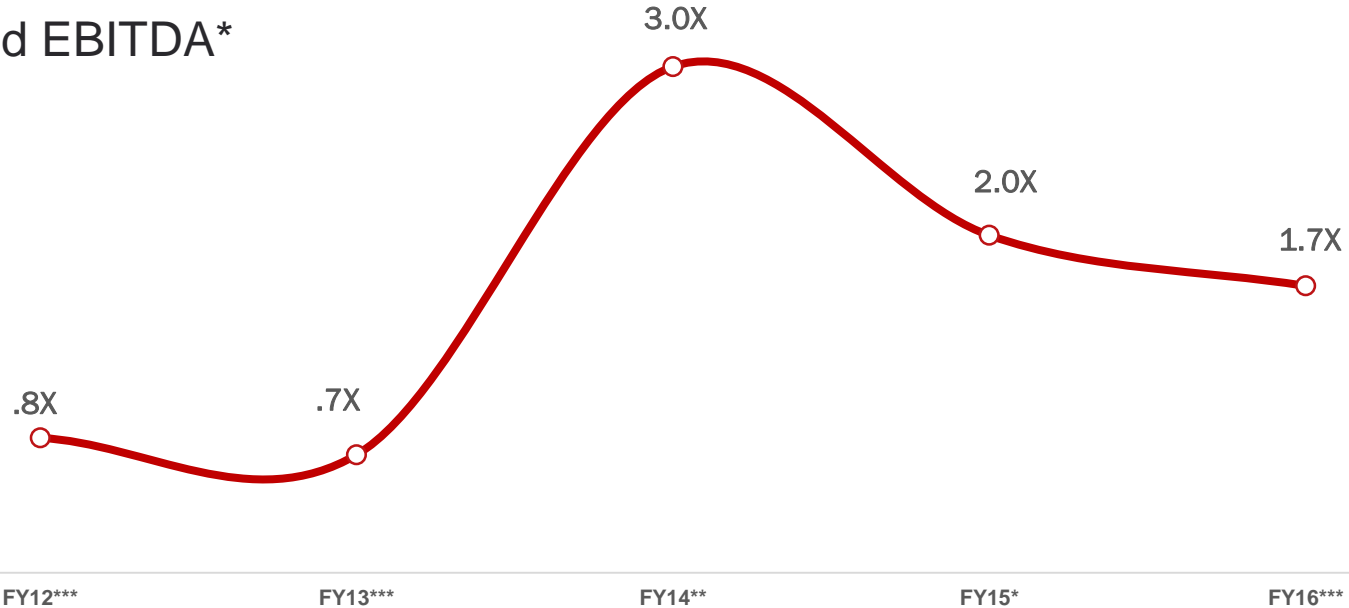
Strong Cash Flow Fuels Growth



STRONG TODAY

Rapid Deleveraging Positions Us for Growth

Favorable Net Debt/
Adjusted EBITDA*



*Represents a non-GAAP financial measure. Net debt/adjusted EBITDA is explained and reconciled to a comparable GAAP measure in the Appendix.

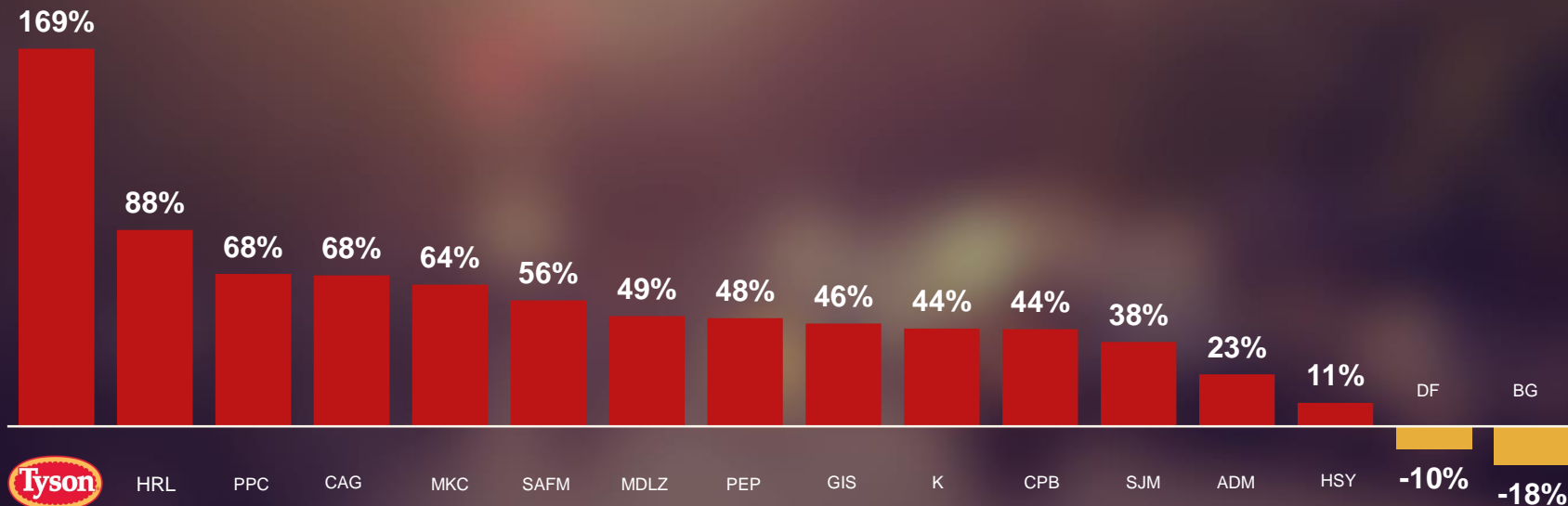
** FY14 Net Debt/EBITDA was calculated on a pro forma basis due to the acquisition of Hillshire Brands in August 2014. See Appendix for reconciliation to GAAP measure.

*** FY12, FY13 and FY16 represent net debt to EBITDA

STRONG TODAY

Unmatched Shareholder Return

Total Shareholder Return (TSR*) Last 3 years



*SOURCE: Bloomberg - This information should not be deemed to be "soliciting material" subject to regulation 14a or 14c or to the liabilities of Section 18 of the Securities Exchange Act of 1934

STRONG TODAY

Uniquely Positioned to Lead

CAPABILITY

Differentiated Capability
Aligned to Growing
Demand Creates
Advantage



OPPORTUNITY

Changing Consumers
and Markets Create
Opportunity



FIREPOWER

Business Model and
Performance Create
Firepower for Growth

— STRONG TODAY, LEADING FOR TOMORROW —

FORTUNE
**No. 1 Most
Admired
Company**
Food Production Industry

— STRONG TODAY, LEADING FOR TOMORROW —

**Ready
to Shape
the Future**

STRONG TODAY, LEADING FOR TOMORROW

Returns Through Purpose



**VIDEO
PLAYING**

— STRONG TODAY, LEADING FOR TOMORROW —



Tyson

— STRONG TODAY, LEADING FOR TOMORROW —

**Strategic
Intent**

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

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

Twin Engines of Growth

Growing our portfolio of
protein packed brands

Delivering sustainable
food at scale

Critical Enablers

Driving profitable growth with and for our customers
through differentiated capabilities

Creating fuel for reinvestment through a disciplined
financial fitness model

STRONG TODAY, LEADING FOR TOMORROW

A New Approach to Efficiency Will Fund Investments for Sustainable Growth

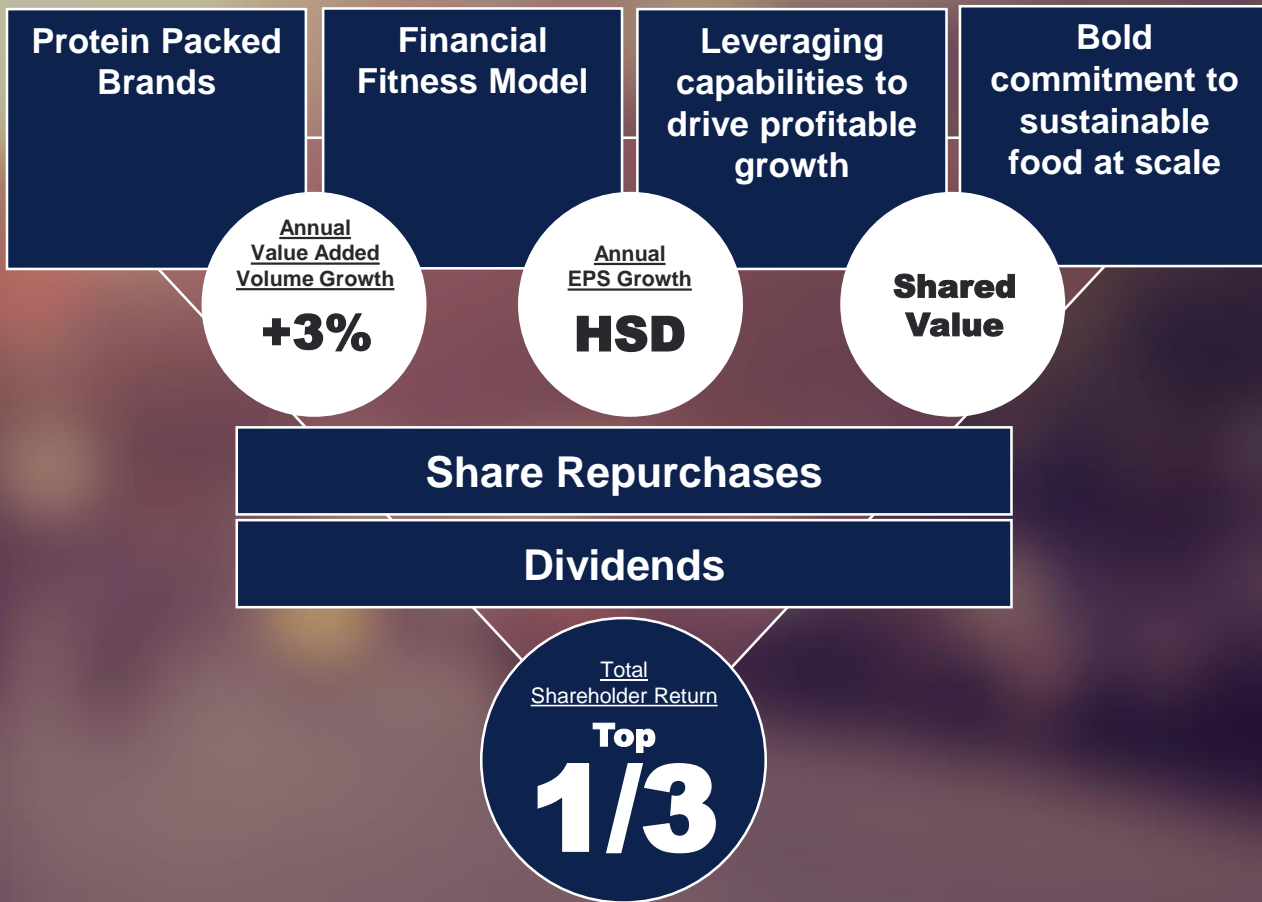
**TYSON
FINANCIAL
FITNESS
MODEL**

REDUCE waste across the entire company through Continuous Improvement

ALLOCATE financial and human capital to growth

TRANSFORM our business through technology

Aspiration for Value Creation












Superior Total Company Results Through Sharp Portfolio Roles

Branded & Value Added		Commodity	
RETAIL	Grow above industry by investing in brand building, innovation and customer development	FOODSERVICE	Grow above industry and expand margins through customer partnership, differentiation and competitive costs
		ALL-CHANNELS	Leverage throughput and efficiency to generate cash

STRONG TODAY, LEADING FOR TOMORROW

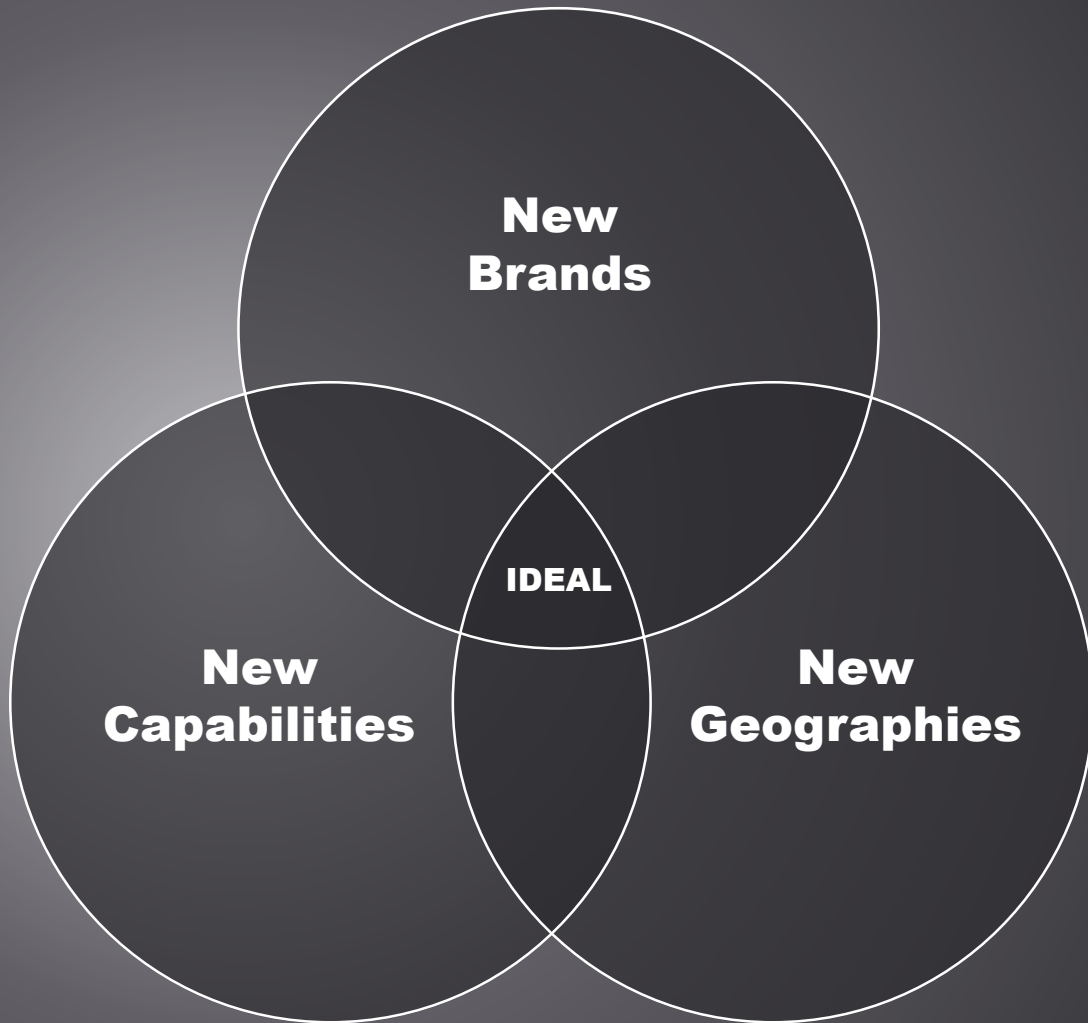
Proven Leadership Team Aligned to Deliver Against Our Strategy

Designed to Elevate Focus on
CONSUMERS
CUSTOMERS
SUSTAINABILITY
TECHNOLOGY

Sally Grimes  President NA Retail	Andy Callahan  President NA Foodservice & International	Noel White  Chief Operations Officer	Monica McGurk  Chief Growth Officer	Dennis Leatherby  Chief Financial Officer
Scott Rouse  Chief Customer Officer	David Van Bebber  General Counsel	Devin Graham  Chief Technology Officer (Interim)	Mary Oleksiuk  Chief Human Resources Officer	OPEN Chief Sustainability Officer

STRONG TODAY, LEADING FOR TOMORROW

A Simple Framework for M&A



TYSON FOODS

Strong Today, Leading for Tomorrow

**Strong
Financials**

**Unique
Position**

**Purpose
Driven**

**Clear
Strategy**

**Future
Focused
Team**



**BUILDING A
MODERN GROWTH
PORTFOLIO**

Modern Growth Portfolio

Advantaged
Spaces

Differentiated
Capabilities

Multiple
Models

Brand
Portfolio

A GROWTH Business with Attractive Financials

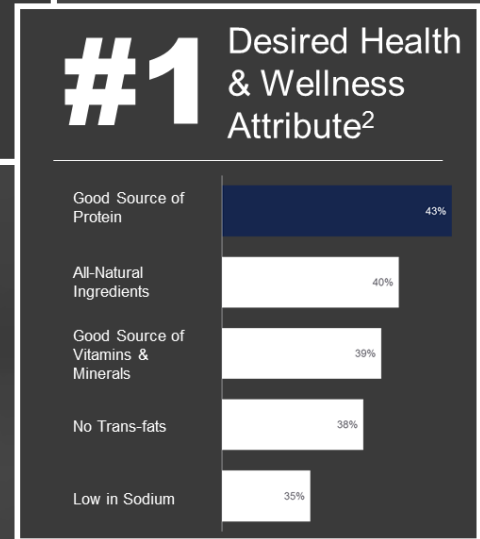
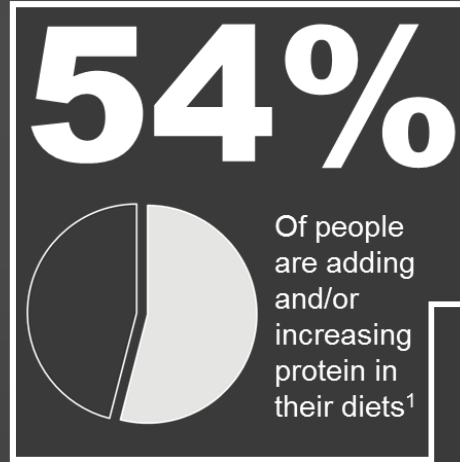
Retail Brands



High Growth

High Margin

Protein Provides a Powerful Tailwind



¹Source: Source: Hartman Health & Wellness 2015

²Source: Desirability of Health and Wellness Attributes - Datassential CPP Protein 2015

Large Spaces in Which to Play

Packaged Protein¹

\$98B

Packaged Meat CAGR²

1.7X

¹Source: IRI Total US - Multi Outlet, Latest 52 Weeks Ending 01-15-17

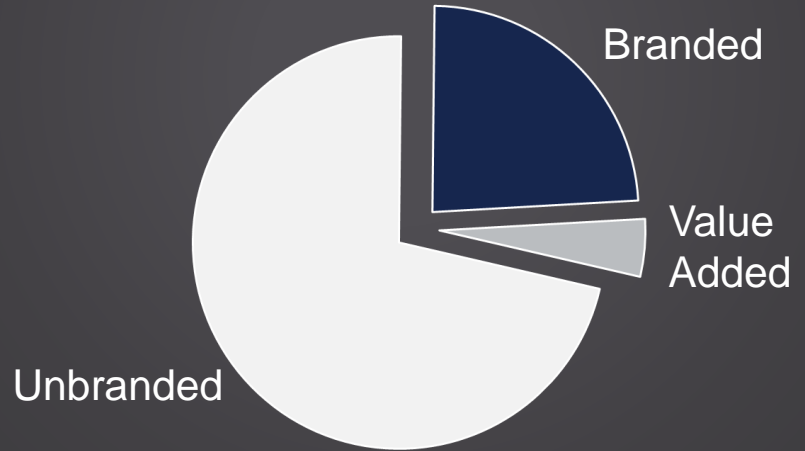
²Source: 4yr CAGR IRI Total US - Multi Outlet, Latest 52 Weeks Ending 01-15-17

Large Spaces in Which to Play

RETAIL

Fresh Meat¹

\$46B



¹Source: Nielsen Perishables Universe; 52 Weeks Ending 12/31/16 = \$31B, Estimate 67% coverage of total retail market

**Large
Spaces in
Which to
Play**

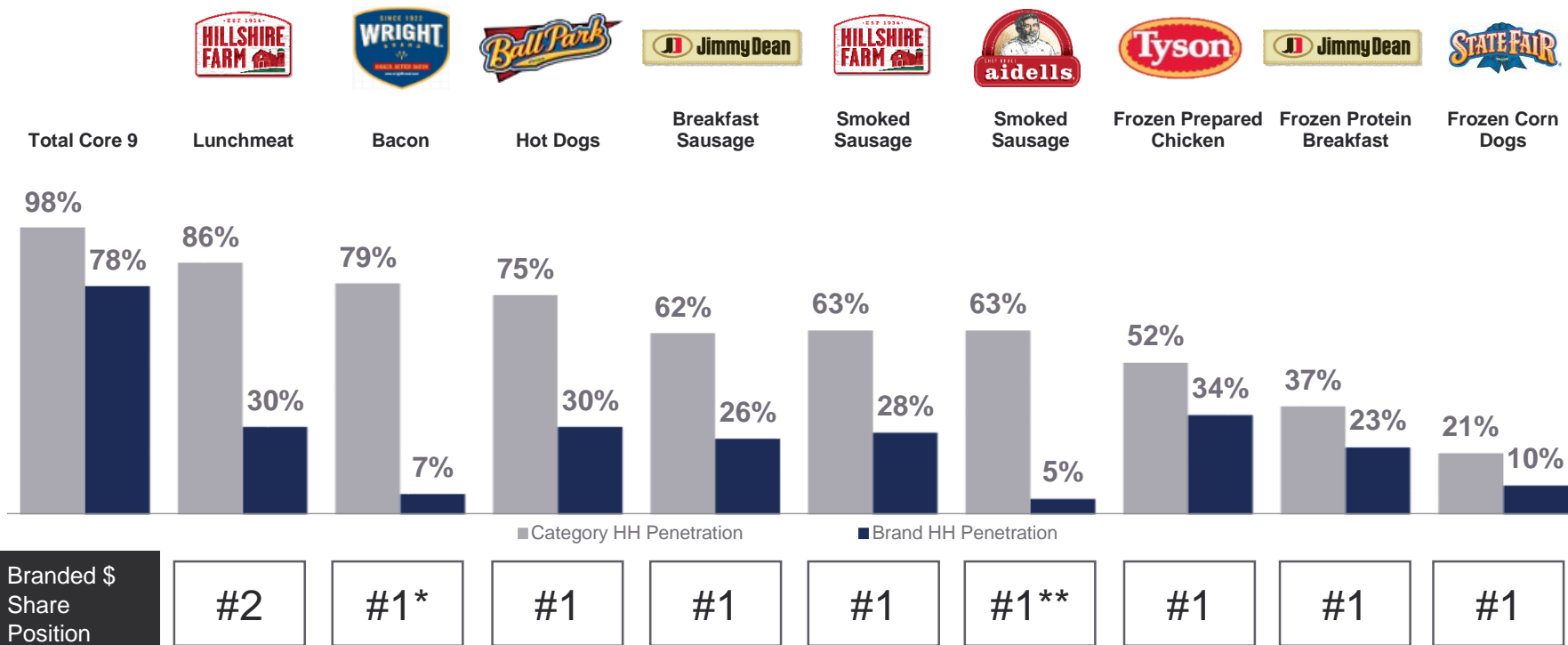
**CONSUMER
FRESH
GOODS**



**DIFFERENTIATED
CAPABILITIES**



Opportunity in Current Spaces



SOURCE: IRI a) National Consumer Panel for 52 weeks ending 1/22/17 b) Total US Multi-Outlet for 52 weeks ending 1/15/17 *Within branded stack pack bacon **Within super-premium smoked sausage segment

As Well as Unlock New Businesses



**Emerging
Brands**


HILLSHIRE™
— SNACKING —

Nudges
Wholesome Dog Treats


**GOLDEN
ISLAND**

**NATURE
RAISED
Farms®**
RIGHT FROM THE START

**New
Businesses**

BUILDING A MODERN GROWTH PORTFOLIO

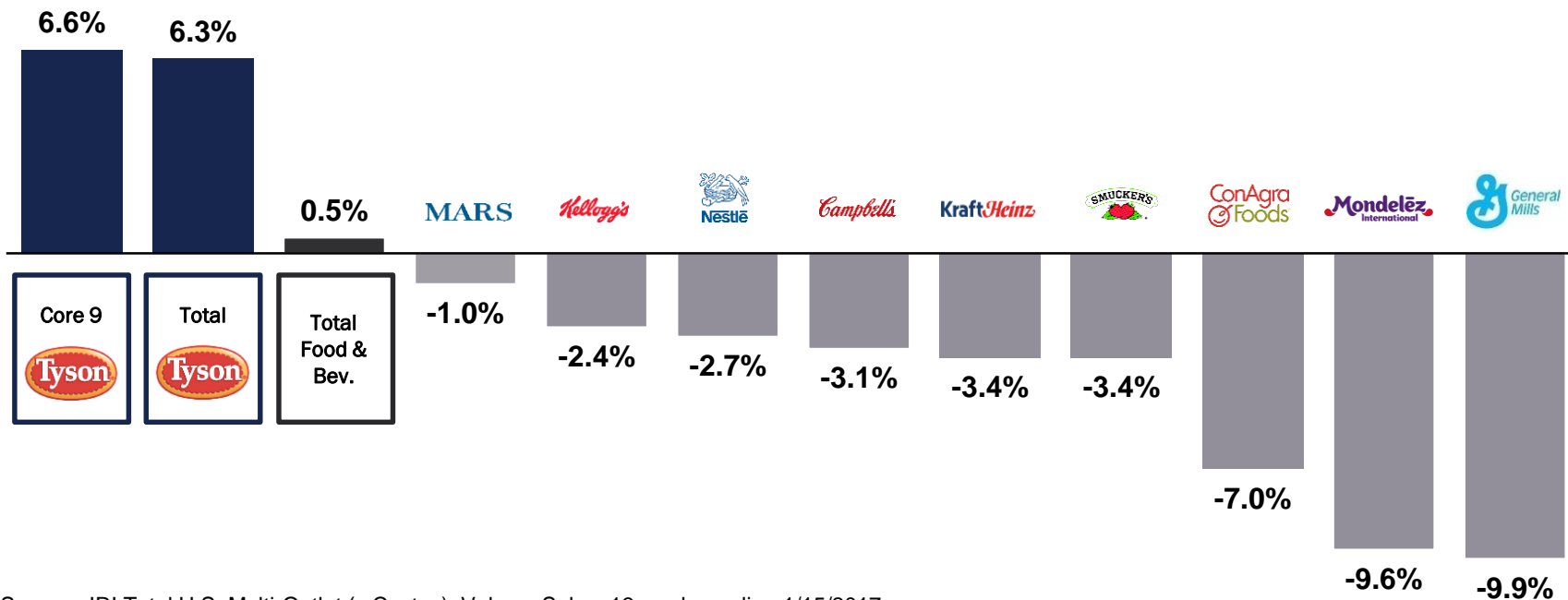
A Repeatable Model Creates a Fresh Story in Frozen



**VIDEO
PLAYING**

This Approach Delivers Proven Results

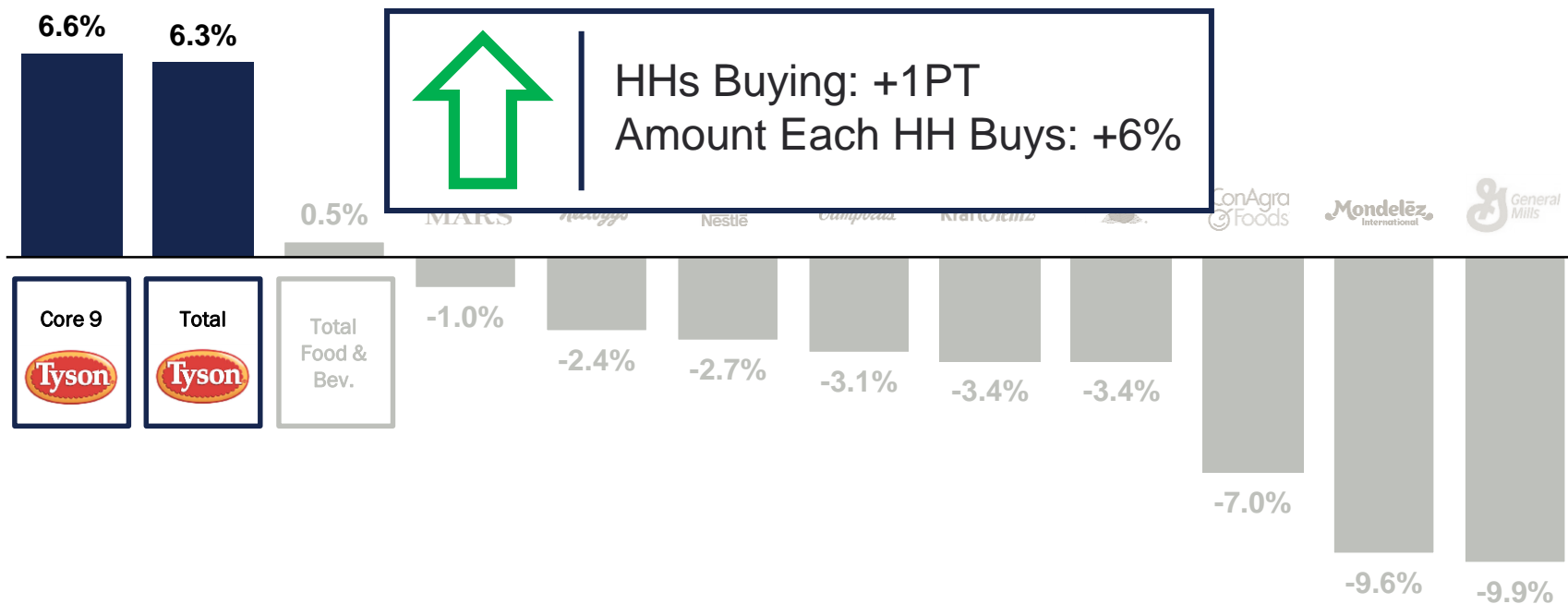
Volume sales % change among top 10 branded food companies > \$5B



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

Through Healthy Growth

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



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

That is Recognized Within and Beyond Our Industry

#1 Large Food & Beverage Growth Performer

Based upon composite growth index

2016 Rankings: Several companies are new to the leader board

Large companies	Midsize companies	Small companies
1 RAI	1 CHOBANI	1 BODYARMOR SuperDrink
2 Johnson & Johnson (& Vogue)	2 Hostess	2 IDAHOAN
3 Tyson	3 Energizer	3 BRAGG
4 BIMBO	4 Constellation Brands	4 bai
5 MARS	5 STARBUCKS	5 Daisy BRAND
6 Kimberly-Clark	6 DANONE	6 CALIFIA FARMS
7 HERSHEY'S (& Ripple)	7 the Wonderful company	7 nosa finest yoghurt
8 PEPSICO	8 MONSTER ENERGY	8 OLD TRAPPER
9 Unilever	9 BLUE DIAMOND CANDIES	9 PETE & GERRY'S
10 Altria	10 L'ORÉAL	10 fairlife believe in better
	11 SCANDINAVIAN TOBACCO GROUP	11 Tito's
	12 RANK GROUP LIMITED	12 Fishin'
	13 gsk	13 QUEST NUTRITION
	14 Abbott	14 Ready Pac
	15 SANOFI	15 TEVA

Note: M&As accounted for in company size categorization. Small: <\$1B, midsize: \$1B-\$5.5B, large: >\$5.5B sales in 2016; excludes PL sales
Source: IRI ILD POS database, 2011-2016, MULO+C. IRI Consulting & BCG analysis

New to list versus 2015

BUILDING A MODERN GROWTH PORTFOLIO

Growth Demands Multi-Dimensional Innovation



FRESH



FLEXIBLE



FUNCTIONAL

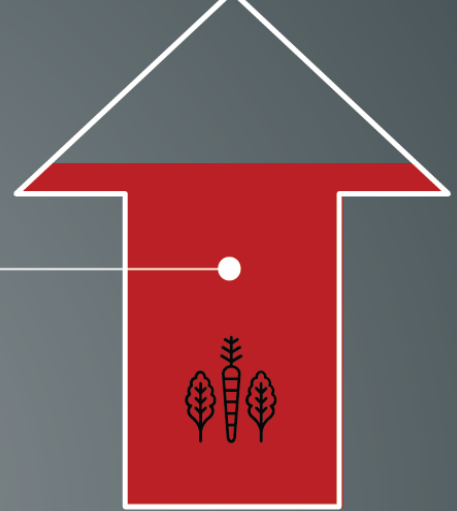
FRESH

The Perimeter of the Store is OUR Center

74%

of supermarket annual
revenue growth is in fresh,
unpackaged foods

SOURCE: Hartman, *America's Supermarkets in Transition*, 2016



2011 2012 2013 2014 2015



+67%

perimeter-only trips
since 2012



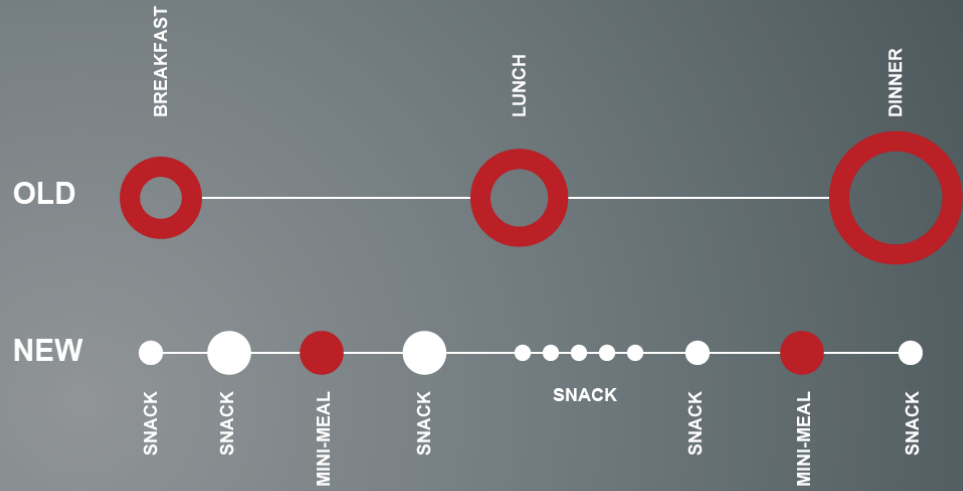
57%

of consumers prefer
“less chemicals /
processed ingredients”

FLEXIBLE FORMS

On Demand Eating

Evolution of Daily Eating Habits



90%

of consumers snack multiple times throughout the day

8%

Only 8% of adults did NOT snack in the last 24 hours

(Hartman, 2015)

FUNCTIONAL

Complete Protein



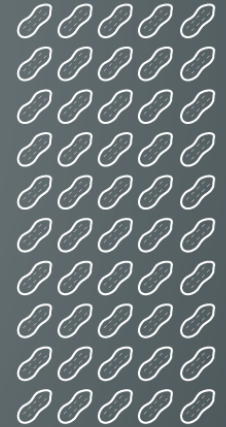
of people say protein contributes to a healthy diet



of people try to consume protein

SOURCE: IFC Food & Health Survey 2016

Not All Protein is Equal



CHICKEN

>4 CUPS
SOYMILK

>18 CUPS
CHICKPEAS

>25 SLICES
WHEAT BREAD

>50 TABLESPOONS
PEANUT BUTTER

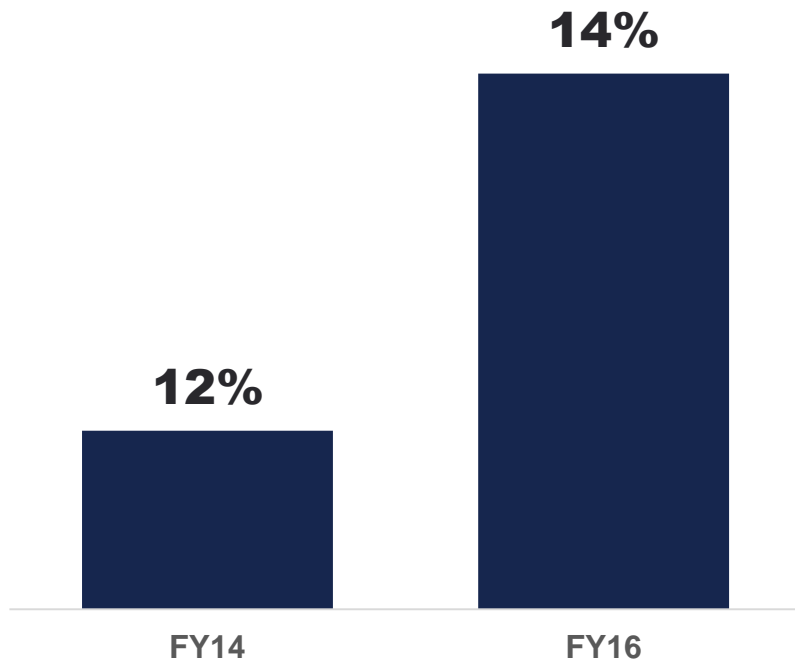
SOURCE: Nancy Rodriguez PHD, RDN

This Approach is Behind the Success of Recent Launches



Innovation Performance

Tyson Foods Retail New Product Vitality



FY14-FY16 Innovation Net Revenue Growth

+21%

Innovation Areas

Consumer
Fresh
Goods

Fresh
Take on
Breakfast

Keeping
Core 9
Fresh

BUILDING A MODERN GROWTH PORTFOLIO

Tyson Tastemakers™ Ecommerce



THE INSIGHT

Culinary adventures can be daunting

THE ADVANTAGE

A curated dinner experience made fresh and easy at home

BUILDING A MODERN GROWTH PORTFOLIO

Tyson Tastemakers™ at Retail



CFG: Ground Fresh Poultry

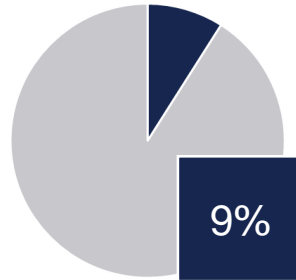
Large Fresh Category

Fresh Ground Poultry¹
52wk \$ Sales

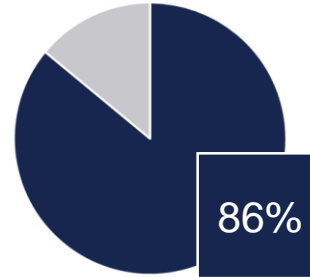
\$1B+

With Room for Chicken

Fresh Ground Poultry¹
\$ Sales by Type



Fresh Poultry¹
\$ Sales by Type



■ Chicken ■ Turkey

And Poultry's Leading Brand



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

BUILDING A MODERN GROWTH PORTFOLIO

Tyson® Ground Chicken

June
2017



THE INSIGHT

Chicken is America's favorite protein, but it has yet to make inroads into one of meat's favorite forms

THE ADVANTAGE

Lean, All natural ground chicken with...

No Antibiotics Ever!

BUILDING A MODERN GROWTH PORTFOLIO

Building a Trusted Brand in China



THE INSIGHT

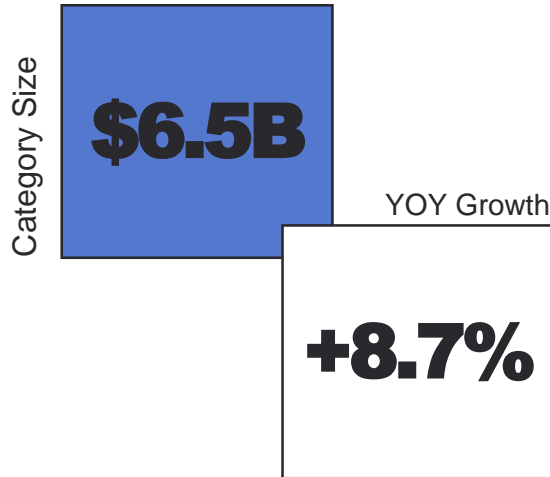
Sensitive to issues of safety, Chinese consumers desire assurance that their food is healthy and safe

THE ADVANTAGE

Embedded QR Code traceability on every package

A Category Ripe for 'Fresh' Breakfast Innovation

REFRIGERATED MEALS:
LARGE & GROWING RAPIDLY



BUT BREAKFAST IS
UNDER REPRESENTED

Breakfast & AM
Snack Share of
Eating
Occasions

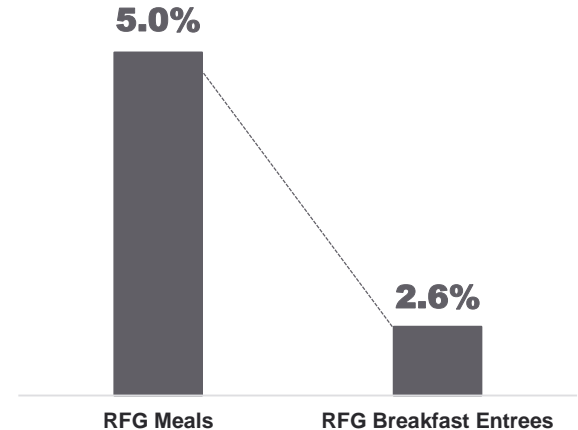
33%

Breakfast
Share of RFG
Meal \$s

0.3%

BECAUSE IT HAS BEEN UNDER
INNOVATED

% \$s From New Items



BUILDING A MODERN GROWTH PORTFOLIO

Jimmy Dean Simple Scrambles™

May
2017



THE INSIGHT

Warm, real breakfast is too much work most days

THE ADVANTAGE

Breakfast scramble freshly prepared in minutes

BUILDING A MODERN GROWTH PORTFOLIO

Jimmy Dean® Premium Breakfast Bowls



THE INSIGHT

Most frozen breakfast items aren't hearty enough for when I'm really hungry

THE ADVANTAGE

Hearty, satisfying breakfast bowls made with high quality ingredients and bold flavors

BUILDING A MODERN GROWTH PORTFOLIO

Jimmy Dean® Pancake and Sausage Bites

May
2017

Now



THE INSIGHT

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

THE ADVANTAGE

Snackable form of a breakfast favorite in individual on-the-go pouches

BUILDING A MODERN GROWTH PORTFOLIO

Jimmy Dean Delights® Omelets

Dec
2016



THE INSIGHT

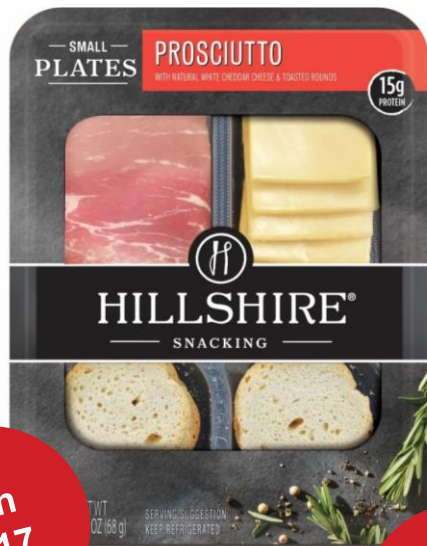
Breakfast needs to be filling, but still a smart start to the day

THE ADVANTAGE

Substantial and delicious egg white omelet for fewer than 200 calories

BUILDING A MODERN GROWTH PORTFOLIO

Hillshire® Snacking



Jan
2017

March
2017



THE INSIGHT

The expectation of snacks has evolved from satisfaction to experience

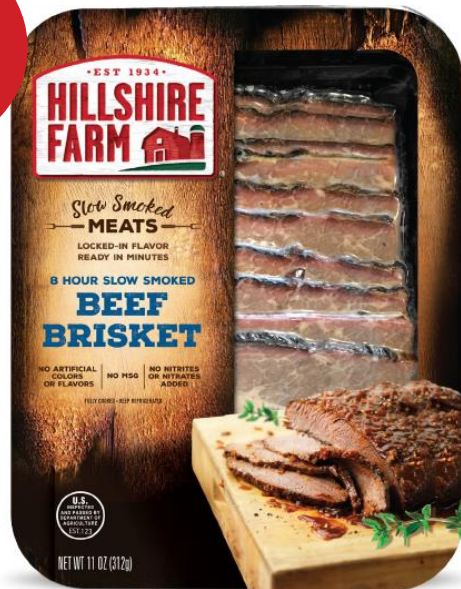
THE ADVANTAGE

Sophisticated flavors in forms that fit into flexible lives

BUILDING A MODERN GROWTH PORTFOLIO

Hillshire Farm® Slow Smoked Meats

July
2017



THE INSIGHT

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

THE ADVANTAGE

Slow smoked meat in minutes, not hours

BUILDING A MODERN GROWTH PORTFOLIO

BallPark® Prime Franks

March
2017



THE INSIGHT

I want a cleaner label, higher quality hot dog I can feel good about serving

THE ADVANTAGE

Only premium hot dog made with 100% USDA prime beef, no added nitrates

The Tyson brand & No Antibiotics Ever!

June 2017



Meeting the growing consumer demand for no antibiotics across our portfolio.

— BUILDING A MODERN GROWTH PORTFOLIO —

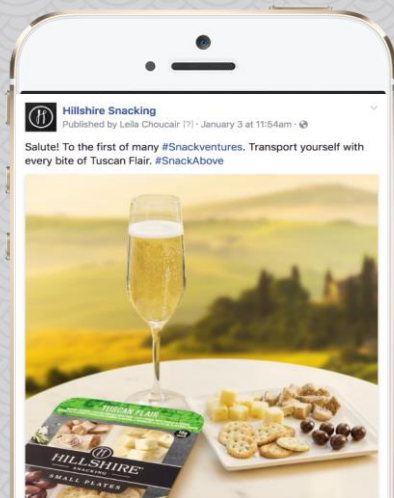
Bringing Our Brands to Life: Telling Fresh, Modern Stories

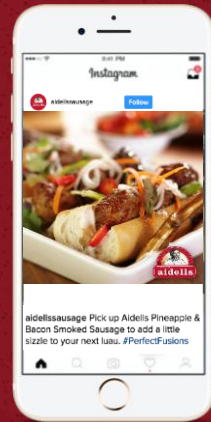
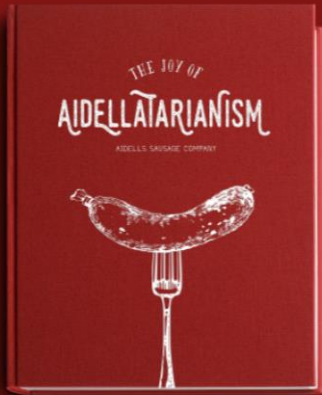
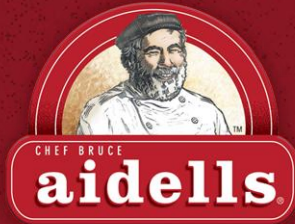
BUILDING A MODERN GROWTH PORTFOLIO

Evolution of the Tyson Consumer Brand



**VIDEO
PLAYING**

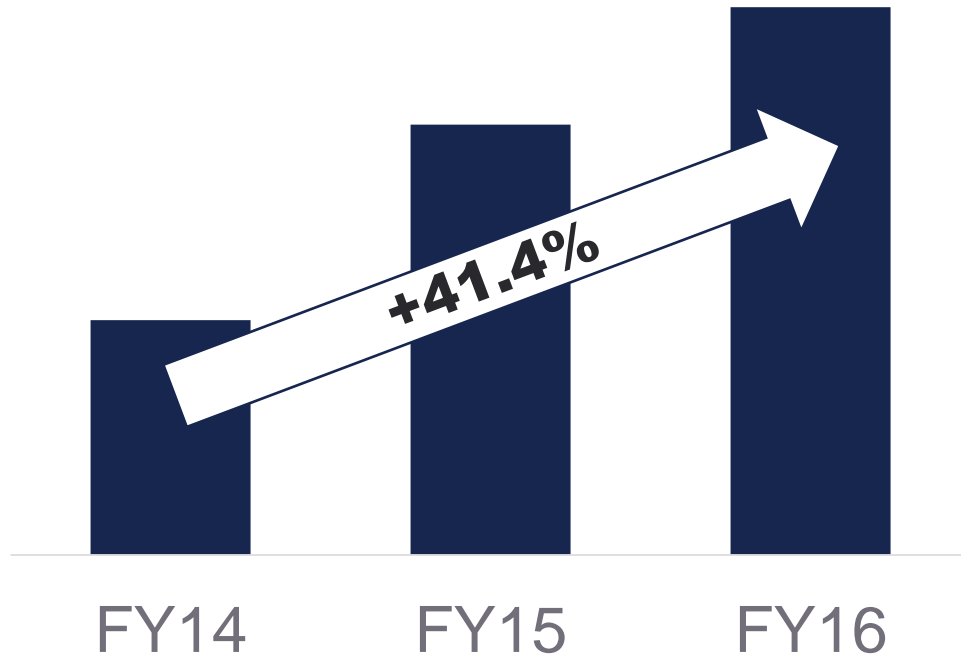




A Disciplined Approach to Investment & Return

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

Tyson Foods Media ROI¹



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

Modern Growth Portfolio

Advantaged
Spaces

Differentiated
Capabilities

Multiple
Models

Brand
Portfolio

**LEADING THE
WAY IN FOOD
SUSTAINABILITY**

LEADING THE WAY IN FOOD SUSTAINABILITY

The Case for Sustainability & Shared Value

SOCIAL

ENVIRONMENTAL

BUSINESS

**It's the right thing to do &
companies that do the right thing win!**

LEADING THE WAY IN FOOD SUSTAINABILITY

Our Bold, New Approach to Sustainability

Healthier Food



Healthier Animals



Healthier Bottom-line



Healthier Workplace



Healthier Environment



— LEADING THE WAY IN FOOD SUSTAINABILITY

From Issues to System-level Sustainability Solutions

**Tyson Foods aims to create
competitive advantage by
advancing all dimensions
of sustainability**

A young yellow chick is the central focus, standing on a dark, textured surface. To its left is a red plastic feeder, and to its right is a white tray filled with yellow feed. The background is filled with other chicks, slightly out of focus. The overall scene is brightly lit, suggesting an indoor brooder environment.

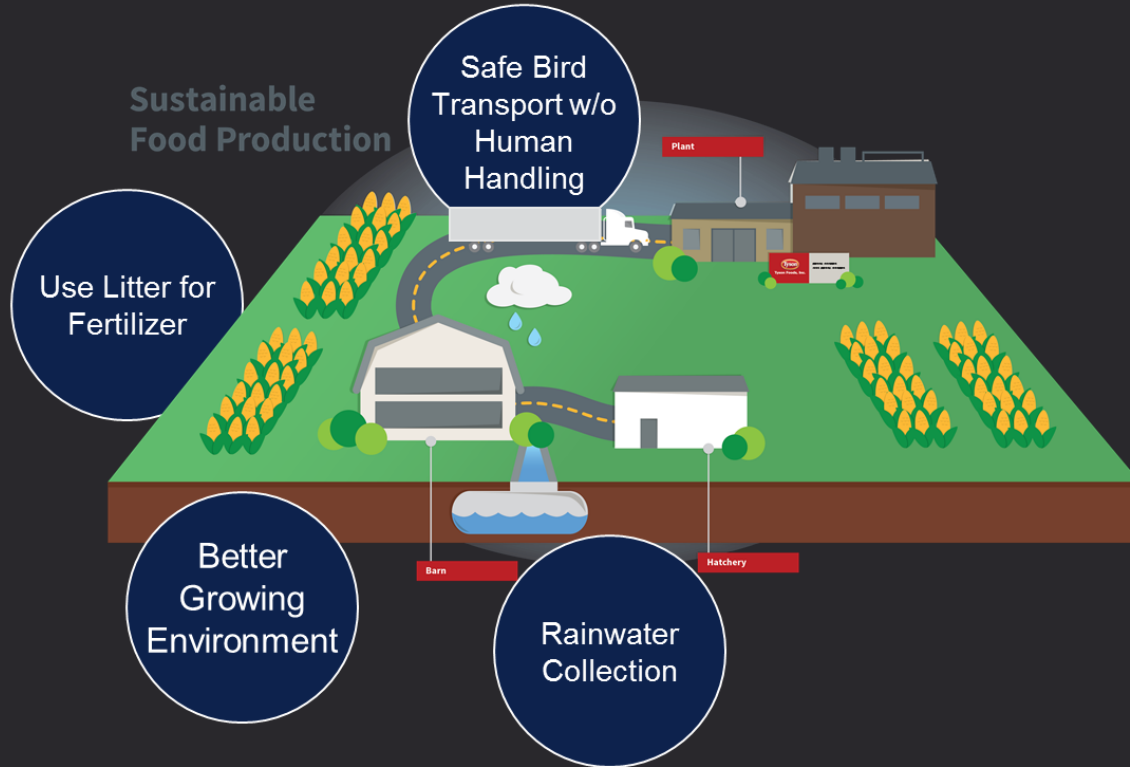
LEADING THE WAY IN FOOD SUSTAINABILITY

Our Approach Starts With Chicken

THE HEART AND
HERITAGE OF OUR
ORGANIZATION

LEADING THE WAY IN FOOD SUSTAINABILITY

Poultry Farm of the Future



LEADING THE WAY IN FOOD SUSTAINABILITY

Poultry Farm of the Future



LEADING THE WAY IN FOOD SUSTAINABILITY

Poultry Farm of the Future



**Reduces
Greenhouse
Emissions**



**Improves
Worker
Welfare**



**Improves
Animal
Welfare**



**Improves
Food
Safety**



**Reduces
Land
Use**

Evidence-based Targets, Long-term Commitment

FOOD

Convert chicken supply chain to no antibiotics ever



PEOPLE

Reduce workplace injuries by 15% per year



ANIMALS

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

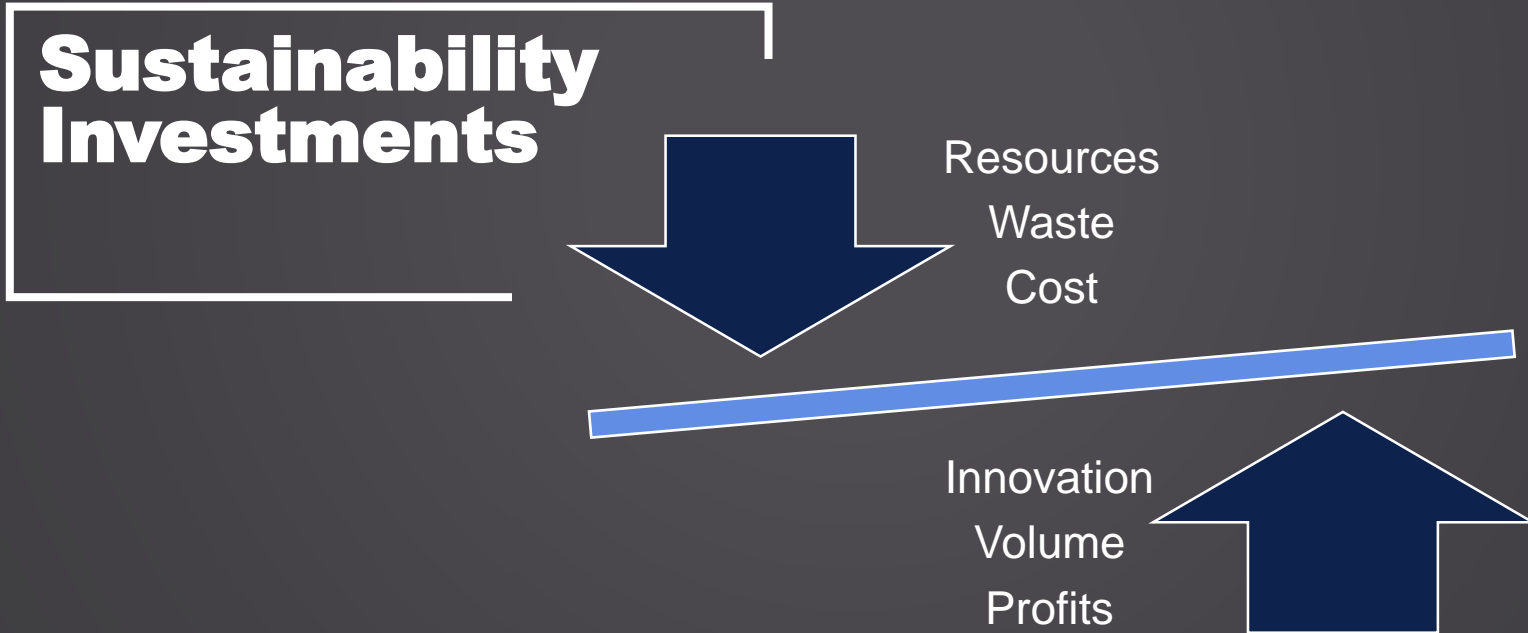


ENVIRONMENT

Working with partners to set science-based targets



Over Time Sustainability Investments Will Fund Themselves



Investing in The Future: Tyson New Ventures



TYSON NEW VENTURES

A TYSON FOODS COMPANY

ROLE:

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

INVESTMENT RANGE:

\$100MM-\$150MM

MANAGEMENT:

Tyson personnel, with 1-3 strategic VC partners

LEADING THE WAY IN FOOD SUSTAINABILITY

Beyond Meat



**THE BRIGHT
FUTURE OF
TYSON FOODS**



TYSON FOODS

Strong Today, Leading for Tomorrow

**Strong
Financials**

**Unique
Position**

**Purpose
Driven**

**Clear
Strategy**

**Future
Focused
Team**



Tyson

**Strong Today,
Leading for
Tomorrow**



Tyson

**Thank
You**

Appendix

Net Debt/EBITDA Reconciliations

\$ in millions
(Unaudited)

	Fiscal 2016 (a)	Fiscal 2015 (a)	Fiscal 2014 (a)	Fiscal 2013 (a)	Fiscal 2012 (a)
Net income	\$ 1,772	\$ 1,224	\$ 856	\$ 778	\$ 576
Less: Interest income	(6)	(9)	(7)	(7)	(12)
Add: Interest expense	249	293	132	145	356
Add: Income tax expense	826	697	396	411	351
Add: Depreciation	617	609	494	474	443
Add: Amortization (b)	80	92	26	17	17
EBITDA	\$ 3,538	\$ 2,906	\$ 1,897	\$ 1,818	\$ 1,731
Adjustments to EBITDA:					
Add: China impairment	\$ -	\$ 169	\$ -	\$ -	\$ -
Add: Merger and integration costs	-	57	-	-	-
Add: Prepared Foods network optimization charges	-	59	-	-	-
Add: Denison plant closure	-	12	-	-	-
Add: Brazil impairment	-	-	42	-	-
Add: Hillshire Brands purchase price accounting adjustments	-	-	19	-	-
Add: Hillshire Brands acquisition, integration and costs associated with our Prepared Foods improvement plan	-	-	197	-	-
Add: Costs (insurance proceeds, net of costs) related to a legacy Hillshire Brands plant fire	-	(8)	12	-	-
Less: Gain on sale of the Mexico operation	-	(161)	-	-	-
Less: Gain on sale of equity securities	-	(21)	-	-	-
Total Adjusted EBITDA	\$ 3,538	\$ 3,013	\$ 2,167	\$ 1,818	\$ 1,731
Pro forma Adjustments to EBITDA:					
Add: Hillshire Brands adjusted EBITDA (prior to acquisition) (c)	n/a	n/a	422	n/a	n/a
Total Pro forma Adjusted EBITDA	n/a	n/a	\$ 2,589	n/a	n/a
Total gross debt (d)	\$ 6,279	\$ 6,690	\$ 8,128	\$ 2,398	\$ 2,418
Less: Cash and cash equivalents	(349)	(688)	(438)	(1,145)	(1,071)
Less: Short-term investments	(4)	(2)	(1)	(1)	(3)
Total net debt	\$ 5,926	\$ 6,000	\$ 7,689	\$ 1,252	\$ 1,344
Ratio Calculations:					
Gross debt/EBITDA	1.8x	2.3x	4.3x	1.3x	1.4x
Net debt/EBITDA	1.7x	2.1x	4.1x	0.7x	0.8x
Gross debt/Adjusted EBITDA	1.8x	2.2x	3.8x	1.3x	1.4x
Net debt/Adjusted EBITDA	1.7x	2.0x	3.5x	0.7x	0.8x
Gross debt/Pro forma Adjusted EBITDA	n/a	n/a	3.1x	n/a	n/a
Net debt/Pro forma Adjusted EBITDA	n/a	n/a	3.0x	n/a	n/a

Net Debt/EBITDA Reconciliations - continued

- (a) EBITDA and Adjusted EBITDA for fiscal 2015 were based on a 53-week year while fiscal 2016, 2014, 2013 and 2012 are based on a 52-week year.
- (b) Excludes the amortization of debt discount expense of \$8 million, \$10 million, \$10 million, \$28 million and \$39 million for fiscal 2016, 2015, 2014, 2013 and 2012, respectively, as it is included in Interest expense.
- (c) Represents Hillshire Brands adjusted EBITDA, prior to our acquisition, for the eleven months ended August 28, 2014. This amount is added to our Adjusted EBITDA for the fiscal year ended September 27, 2014, in order for Net debt to Adjusted EBITDA to include a full twelve months of Hillshire Brands results on a pro forma basis for each of the periods presented. The pro forma adjusted EBITDA was derived from Hillshire Brand's historical financial statements for the periods ended March 29, 2014 and June 28, 2014 as filed with the Securities and Exchange Commission, as well as amounts for the two months ended August 28, 2014, prior to the closing of the acquisition. These amounts were adjusted to remove the impact of deal costs related to Pinnacle Foods, Inc. and Tyson Foods, Inc. transactions, Storm Lake fire, and severance costs. We believe this pro forma presentation is useful and helps management, investors, and rating agencies enhance their understanding of our financial performance and to better highlight future financial trends on a comparable basis with Hillshire Brands results included for the periods presented given the significance of the acquisition to our overall results.
- (d) In the fourth quarter of fiscal 2016, we adopted new accounting guidance, retrospectively, requiring classification of debt issuance costs as a reduction of the carrying value of the debt. In doing so, \$29 million, \$35 million, \$50 million, \$10 million and \$14 million of deferred issuance costs was reclassified from Other Assets to Long-Term Debt in our Consolidated Balance Sheets for fiscal 2016, 2015, 2014, 2013 and 2012 respectively.

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

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

EPS Reconciliations

\$ in millions, except per share data
(Unaudited)

	12 Months Ended									
	October 1, 2016		October 3, 2015		September 27, 2014		September 28, 2013		September 29, 2012	
	Operating Income	EPS	Operating Income	EPS	Operating Income	EPS	Operating Income	EPS	Operating Income	EPS
Reported from Continuing Operations	\$ 2,833	\$ 4.53	\$ 2,169	\$ 2.95	\$ 1,430	\$ 2.37	\$ 1,375	\$ 2.31	\$ 1,286	\$ 1.68
Less:										
Recognition of previously unrecognized tax benefit	-	(0.14)	-	(0.06)	-	(0.15)	-	-	-	-
Insurance proceeds (net of costs) related to a legacy Hillshire Brands plant fire	-	-	(8)	(0.02)	-	-	-	-	-	-
Gain on sale of equity securities	-	-	-	(0.03)	-	-	-	-	-	-
Gain on sale of Mexico operations	-	-	(161)	(0.24)	-	-	-	-	-	-
Impact of additional week (a)	-	-	(44)	(0.06)	-	-	-	-	-	-
Gain from currency translation adjustment	-	-	-	-	-	-	-	(0.05)	-	-
Gain on sale of interest in an equity method investment	-	-	-	-	-	-	-	-	-	-
Reversal of reserves for foreign uncertain tax positions	-	-	-	-	-	-	-	-	-	-
Add:										
China Impairment	-	-	169	0.41	-	-	-	-	-	-
Merger and integration costs	-	-	57	0.09	-	-	-	-	-	-
Prepared Foods network optimization charges	-	-	59	0.09	-	-	-	-	-	-
Denison plant closure	-	-	12	0.02	-	-	-	-	-	-
Loss related to early extinguishment of debt	-	-	-	-	-	-	-	-	-	0.29
Brazil impairment/Mexico undistributed earnings tax	-	-	-	-	42	0.16	-	-	-	-
Hillshire Brands acquisition, integration and costs associated with our Prepared Foods improvement plan	-	-	-	-	137	0.37	-	-	-	-
Hillshire Brands post-closing results, purchase price accounting and costs related to a legacy Hillshire Brands plant fire	-	-	-	-	40	0.07	-	-	-	-
Hillshire Brands acquisition financing incremental interest costs and share dilution	-	-	-	-	-	0.12	-	-	-	-
Adjusting from Continuing Operations	\$ 2,833	\$ 4.39	\$ 2,253	\$ 3.15	\$ 1,649	\$ 2.94	\$ 1,375	\$ 2.26	\$ 1,286	\$ 1.97

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

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