

**different company.  
different model.  
different today.  
different tomorrow.**

August 2016



**Tyson Foods, Inc.**

# Forward-Looking Statements

Certain information contained in this presentation may constitute forward-looking statements, such as statements relating to expected performance. 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, pandemic 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) failures or security breaches 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 3, 2015.

## PURPOSE

### WHY WE EXIST

*Making Great Food.  
Making a Difference.®*

## VISION

### OUR ASPIRATION

To be the global innovative leader of food experiences.

## STRATEGIC INTENT

### STRATEGY FOR SUCCESS

To sell more branded, protein-centric food profitably than any other company in the world.

## CORE VALUES

### WE STRIVE...

To be honorable and operate with integrity.

To be faith-friendly.

To serve as stewards of resources entrusted to us.

To provide a safe work environment.

## TEAM VALUES

### WE HAVE...

Integrity

Resilience

Humility

## TEAM BEHAVIORS (5Cs)

### HOW WE ACT

#### Caring

We care about each other, our customers, our consumers, and our stakeholders.

#### Candor

We listen, we “say it in the room,” and we assume positive intent.

#### Creativity

We encourage innovation with impact.

#### Collaboration

We are interdependent, and we embrace our diversity.

#### Commitment

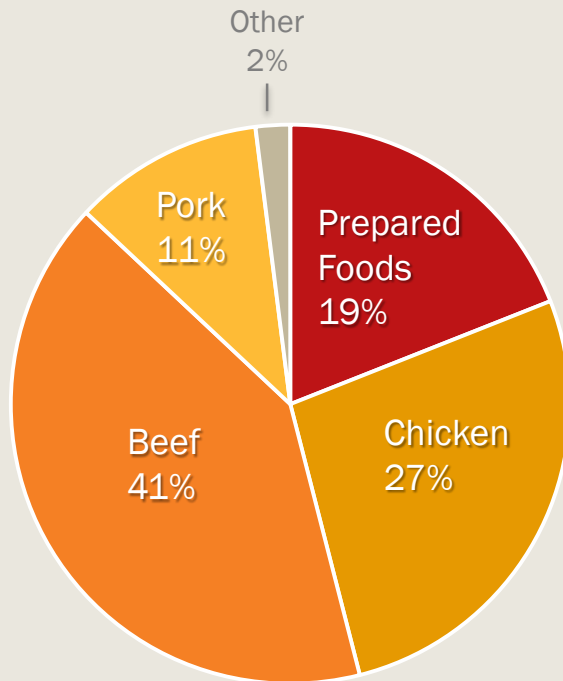
We know our business and outperform expectations, while keeping it simple.

# The Tyson Foods Culture

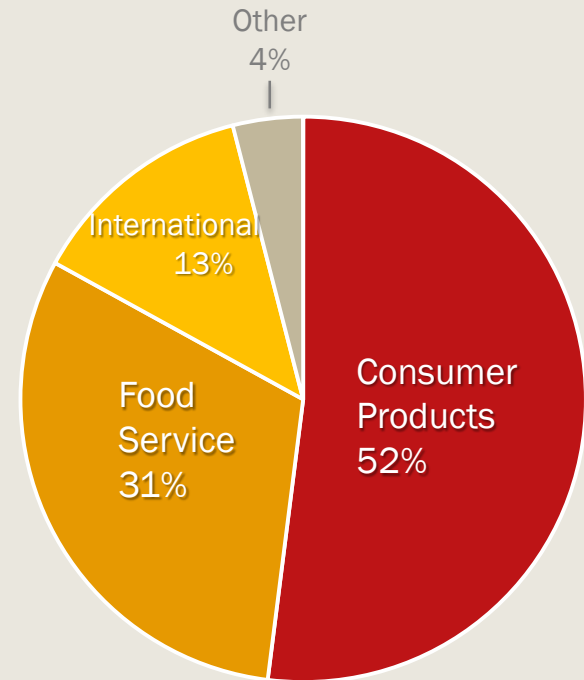
## Why Invest in TSN?

- One of world's leading food companies
- Advantaged brands in advantaged product categories, focused on protein
- Multi-protein, multi-channel, all day parts, all meal occasions
- #1 or #2 brands in 13 categories
- #2 in U.S. frozen food with products in growth categories
- Innovation and insights
- Strong free cash flow and a strong balance sheet
- Higher, more stable earnings over time
- Outperforming S&P 500 and peer group
- **A Growth Company**

# FY15 Adjusted Sales\* – \$40.6 Billion



Sales by Segment



Sales by Distribution Channel

\*Represents a non-GAAP financial measure, which is explained and reconciled to "Reported Sales" in the Appendix at "Sales Reconciliations."  
See Appendix for details on International Sales.

# Leading Brands in Growth Categories

## “Core 9”

**1** Frozen Prepared Chicken\*



**1** Hot Dogs



**1** Branded Stack Pack Bacon



**1** Frozen Breakfast Sandwiches



**1** Breakfast Sausage



**1** Smoked Sausage



**2** Branded Lunchmeat



**1** Corn Dogs



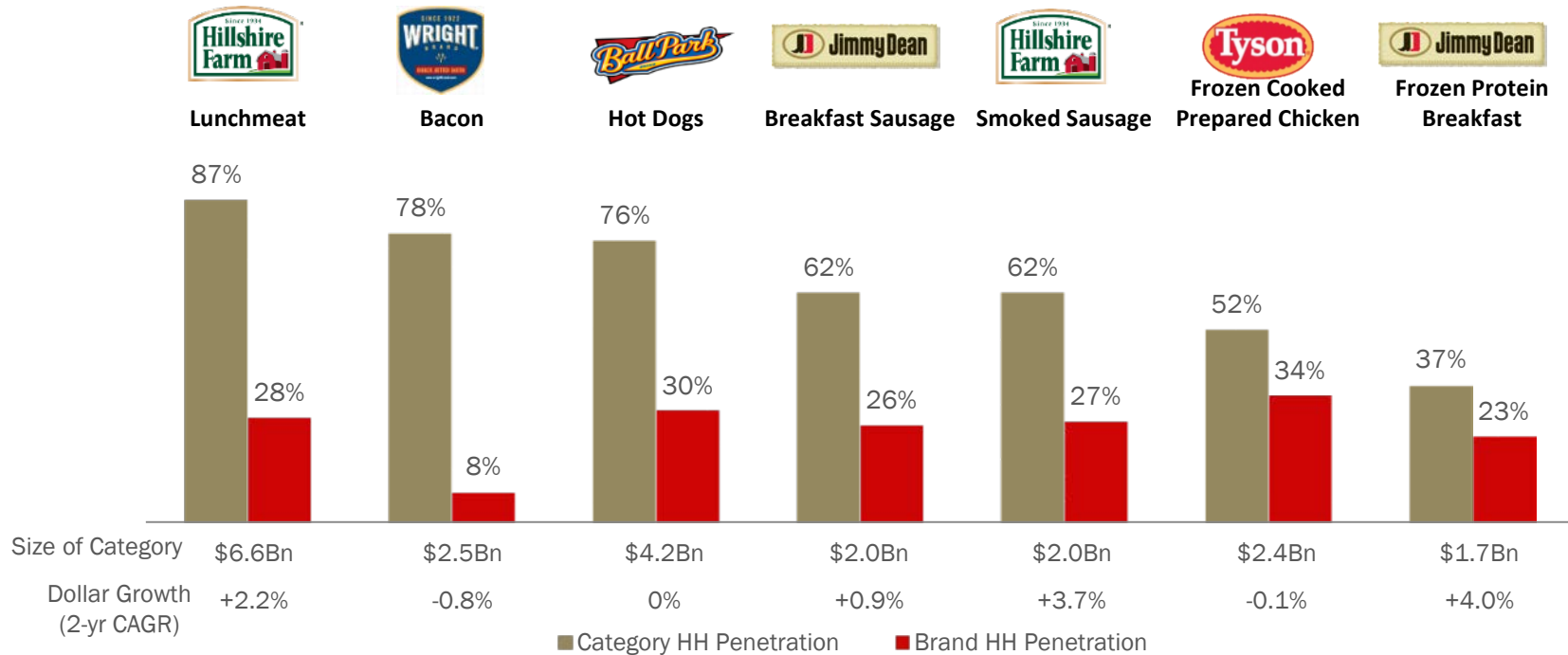
**1** Super Premium Sausage



Sources: IRI, Total US Multi-Outlet, data thru 7/24/2016

\*Nielsen Perishables Group

# Multiple Areas to Grow in Large Categories

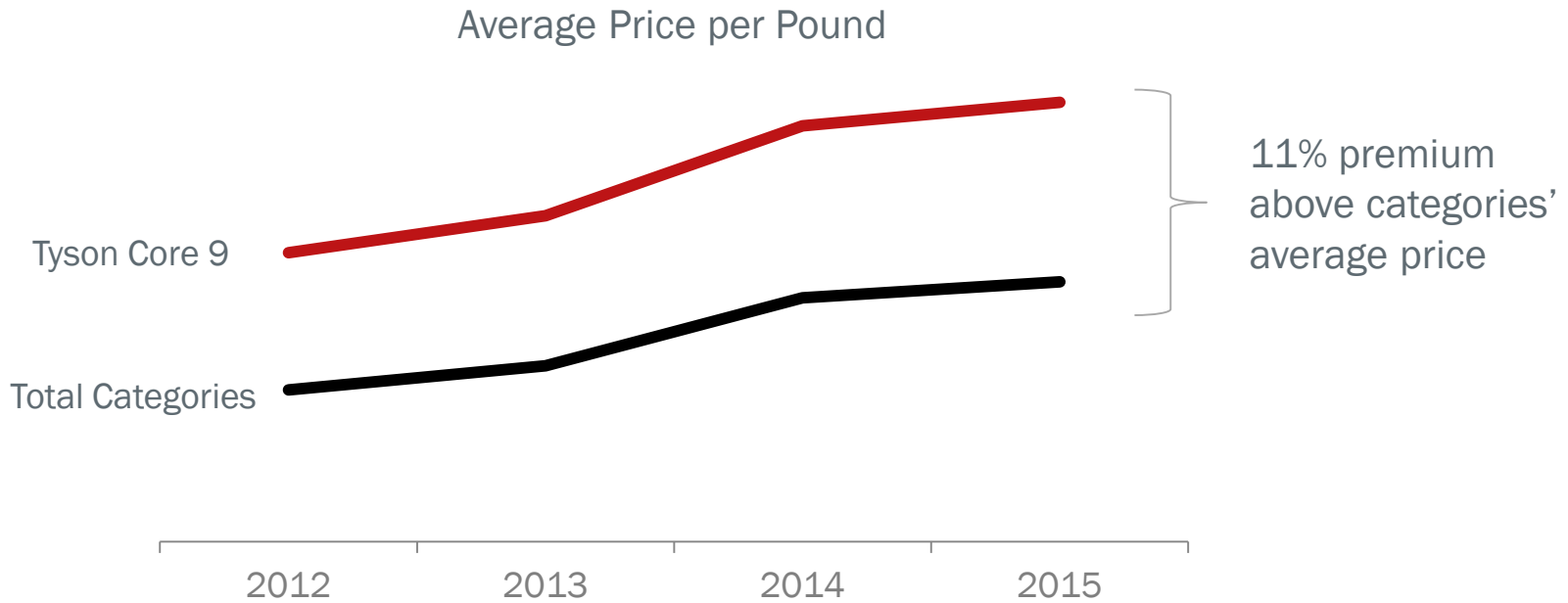


**Source:** IRI

a) National Consumer Panel for 52 weeks ending 7/10/16

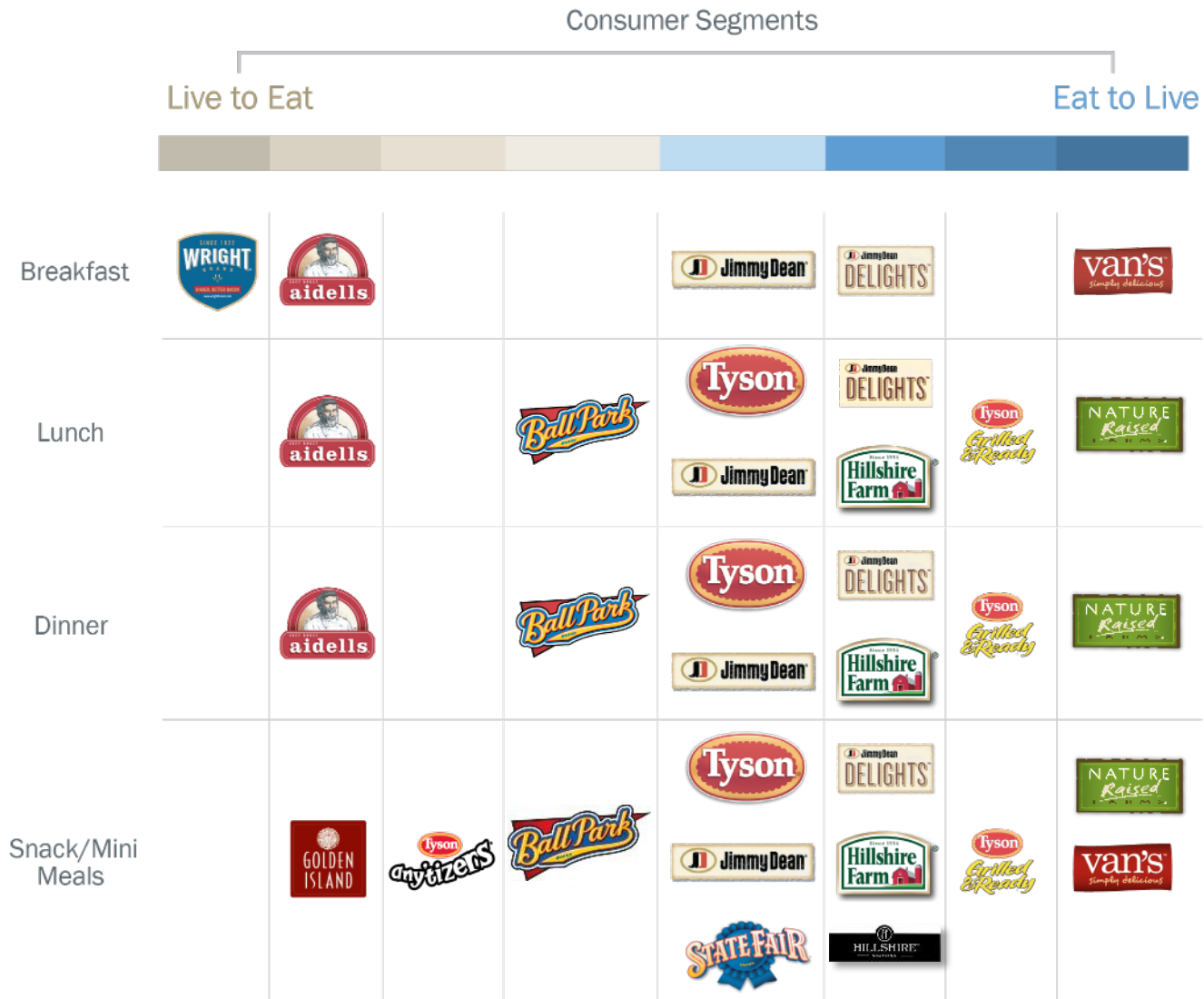
b) Total US Multi-Outlet for 52 weeks ending 7/24/16

# Our Retail Portfolio Commands Premium Pricing









SOURCE: IRI Total US MULO, 52 weeks ending December 2012-2015

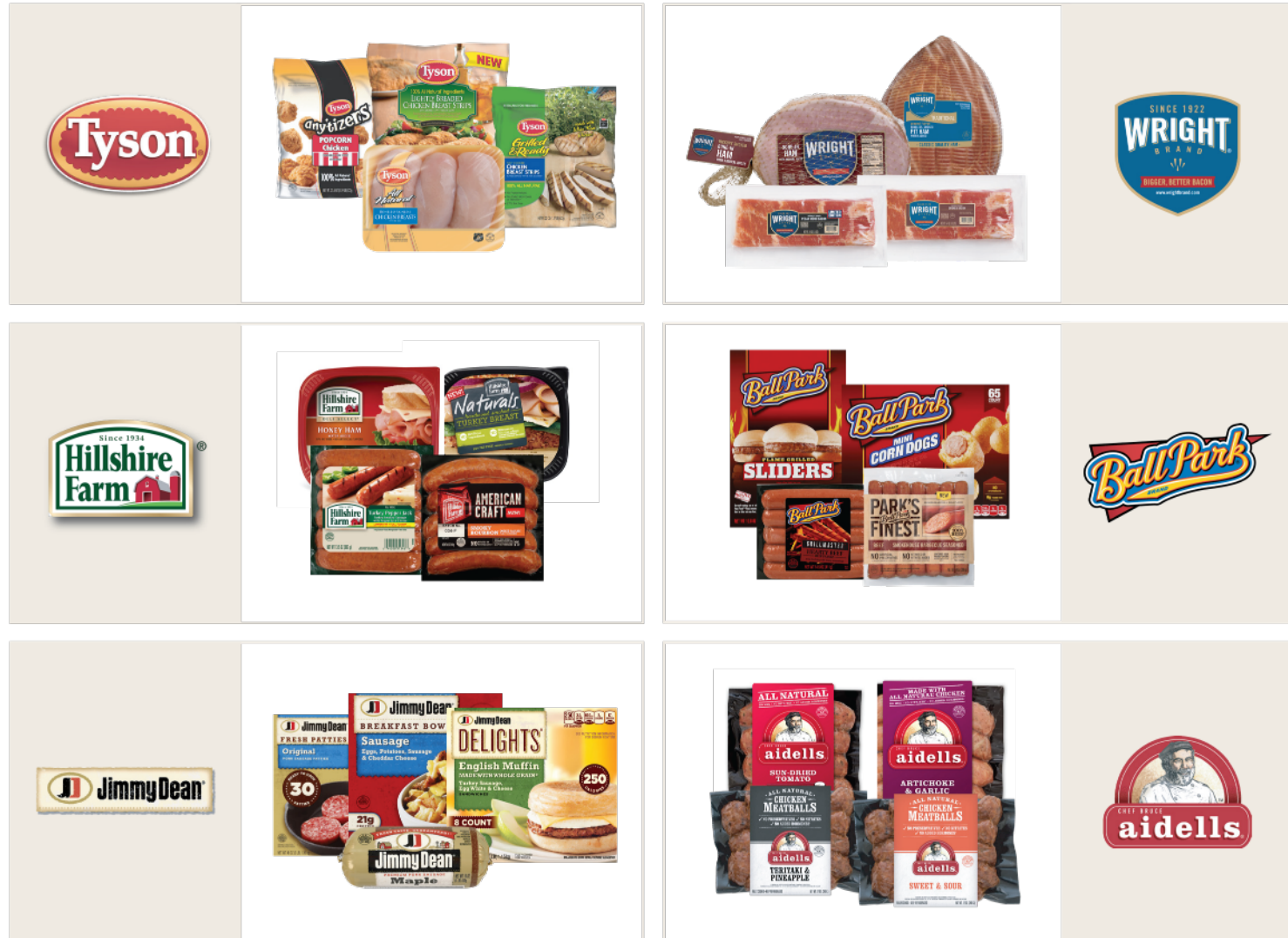
# Brand Portfolio Participates Across Meal Occasions



# Reframe from Product to Brand

From (Product)		To (Brand)
Fresh Poultry		Keep it real. Keep it Tyson.
Bacon		Bacon the Wright Way™
Quality Breakfast Sausage		Down Home Comfort Food
Lunchmeat and Dinner Sausages		Farm House Quality
Hot Dogs		Better Guy Food
Sausage		Classic Favorites Reimagined

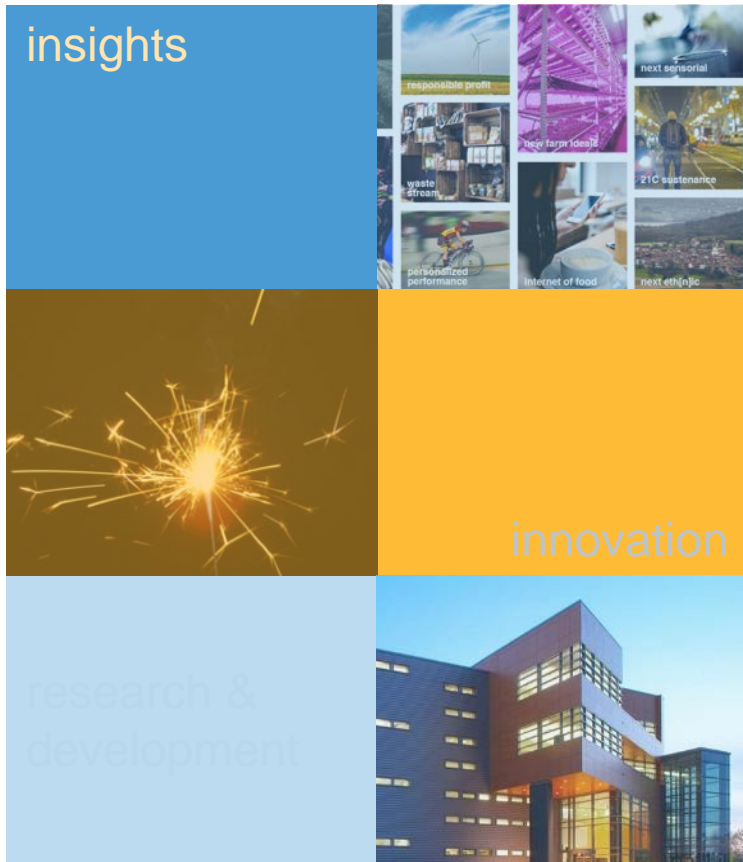
# Retail Packaged Brands



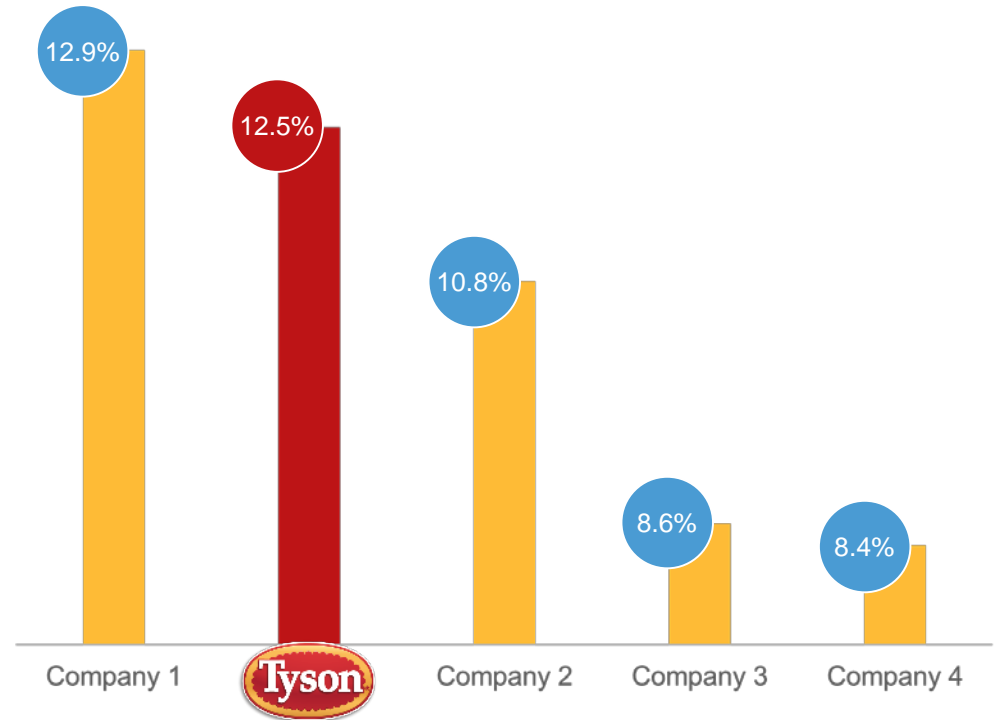
# Product Innovations and Brand Adjacencies



# Top Tier Innovation Performance



Branded Retail Food Companies 2015 Comparison  
innovation vitality



% of sales dollars from products created in the previous three years

SOURCE: Nielsen total US XAOC – Expanded all outlet channel and includes Walmart

# #8 in Total U.S. CPG Retail Food Sales

Among branded food companies > \$5B

Sales in Billions

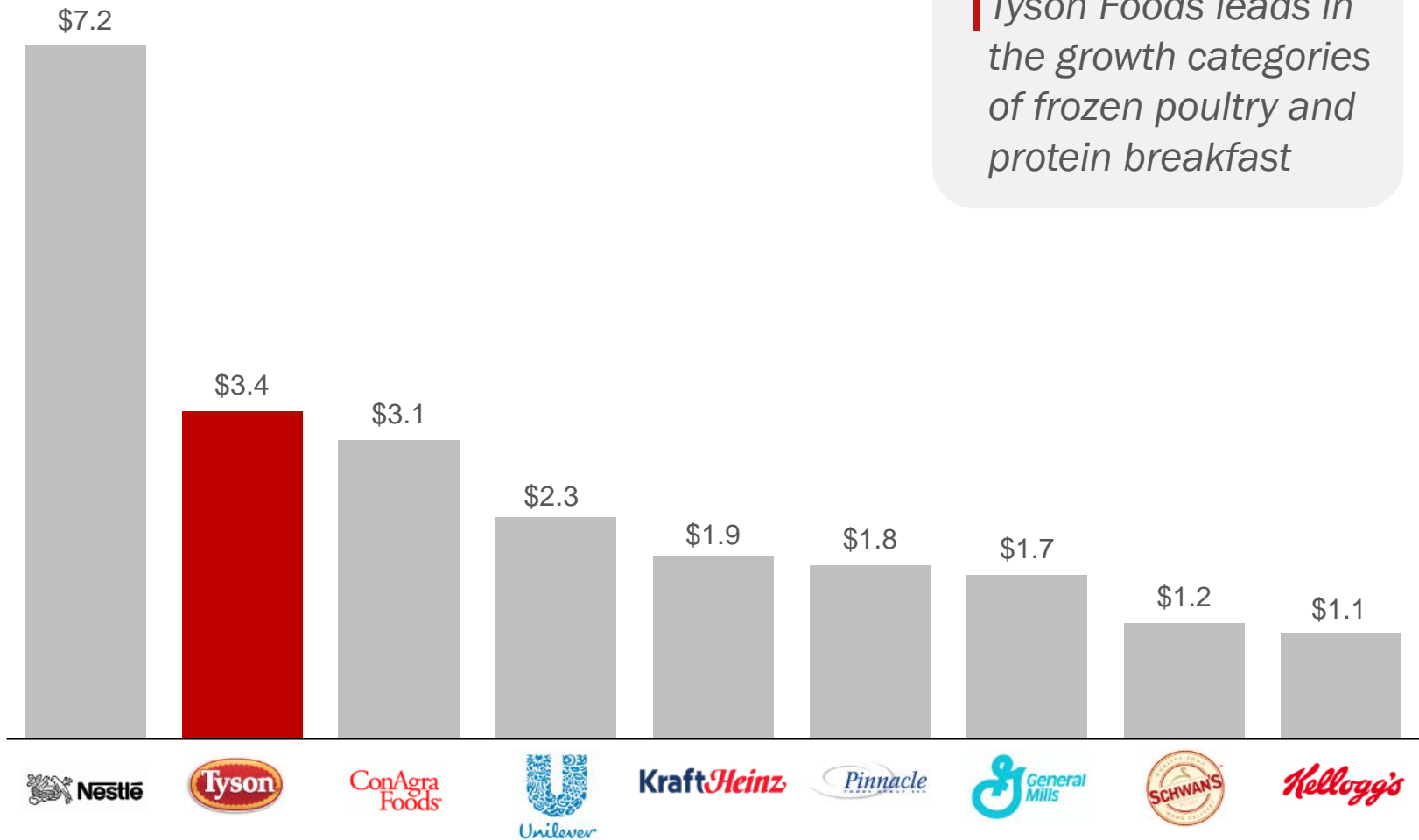


In addition to retail, Tyson Foods is a leading supplier to the foodservice industry

Source: IRI Total U.S. Multi-Outlet Sales, 52 weeks ending 7/24/16

# #2 in Frozen Food

Sales in Billions

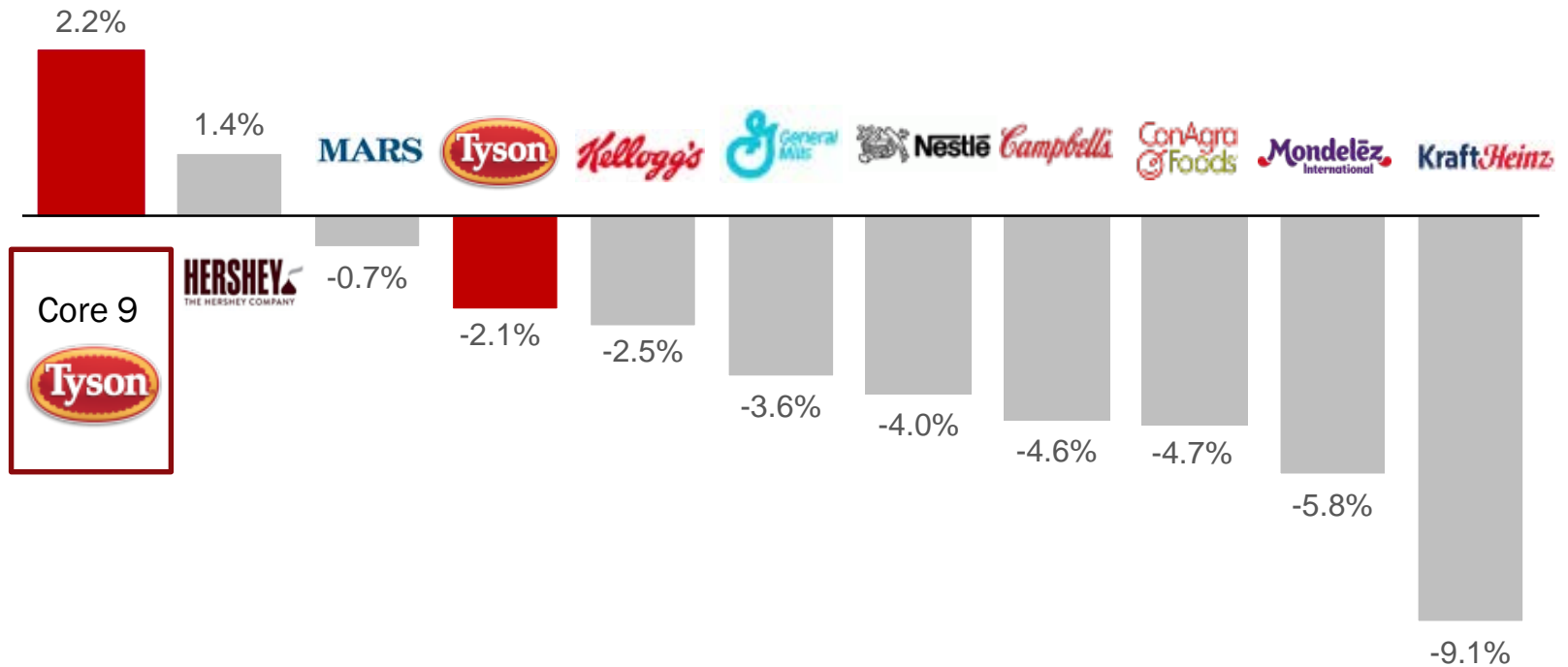


Tyson Foods leads in the growth categories of frozen poultry and protein breakfast

Source: IRI U.S. Multi-Outlet frozen category sales, 52 weeks ending 7/24/16

# Tyson Core 9 Leads in Volume Performance

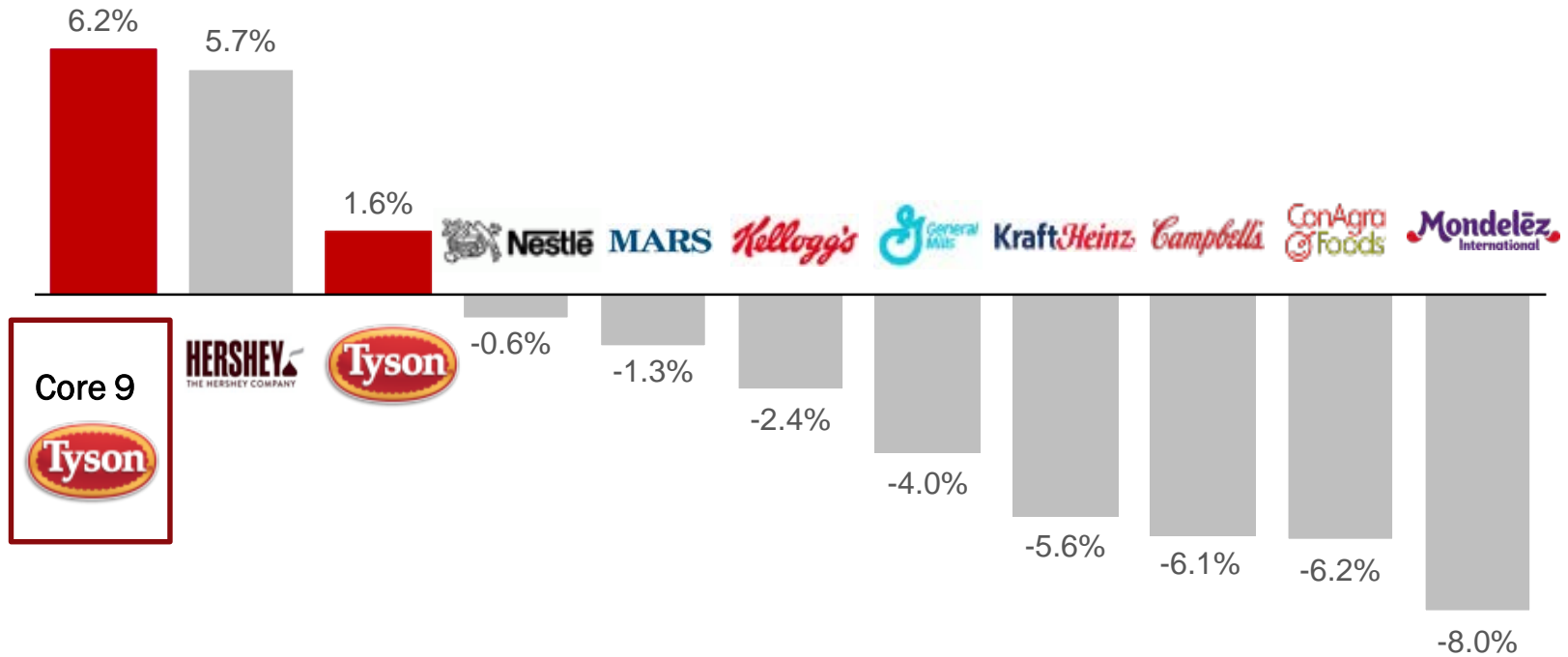
Volume sales % change among top 10 branded food companies > \$5B



Source: IRI Total U.S. Multi-Outlet Volume Sales (Edible Foods), 52 weeks ending 7/27/2016

# Tyson Core 9 and Total Tyson Volume Gaining Momentum

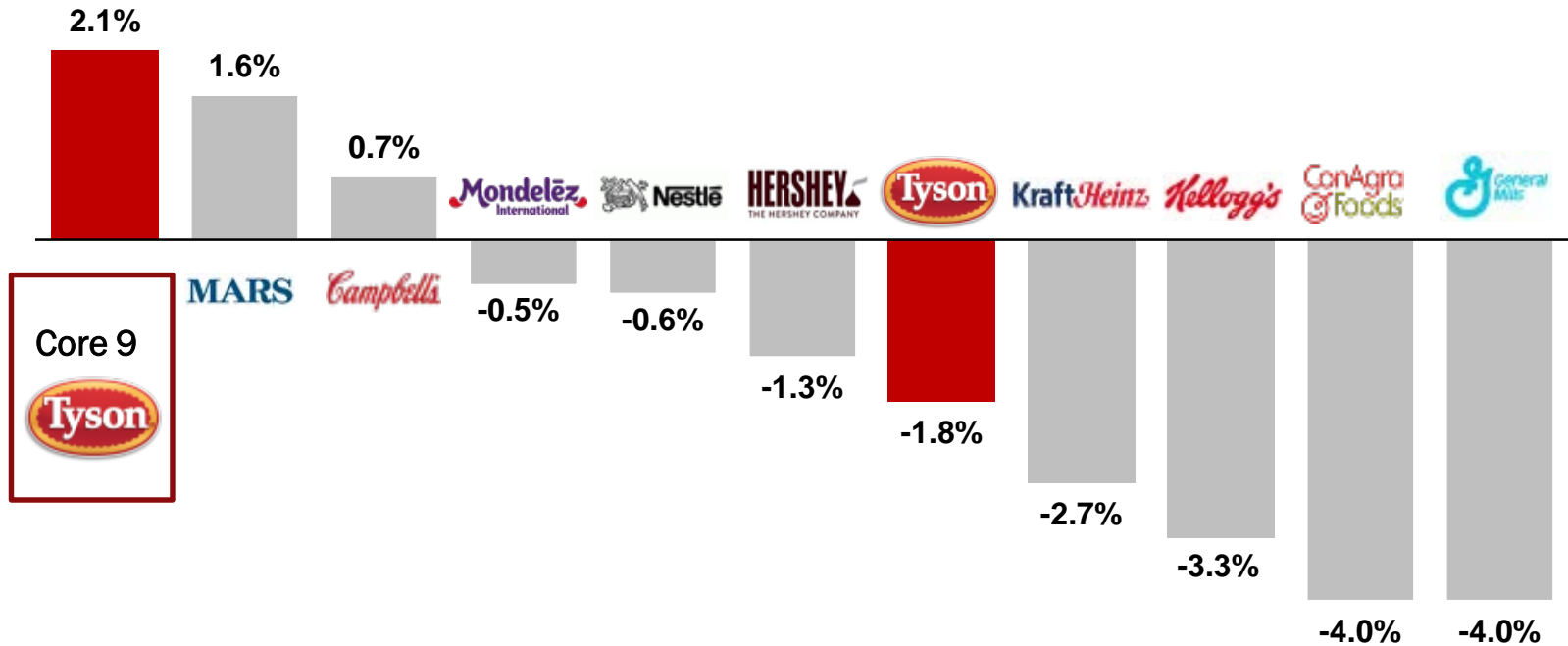
## Volume sales % change among top 10 branded food companies > \$5B



Source: IRI Total U.S. All Outlet (x Costco) All Edible Food Volume Sales, 13 weeks ending 7/24/2016

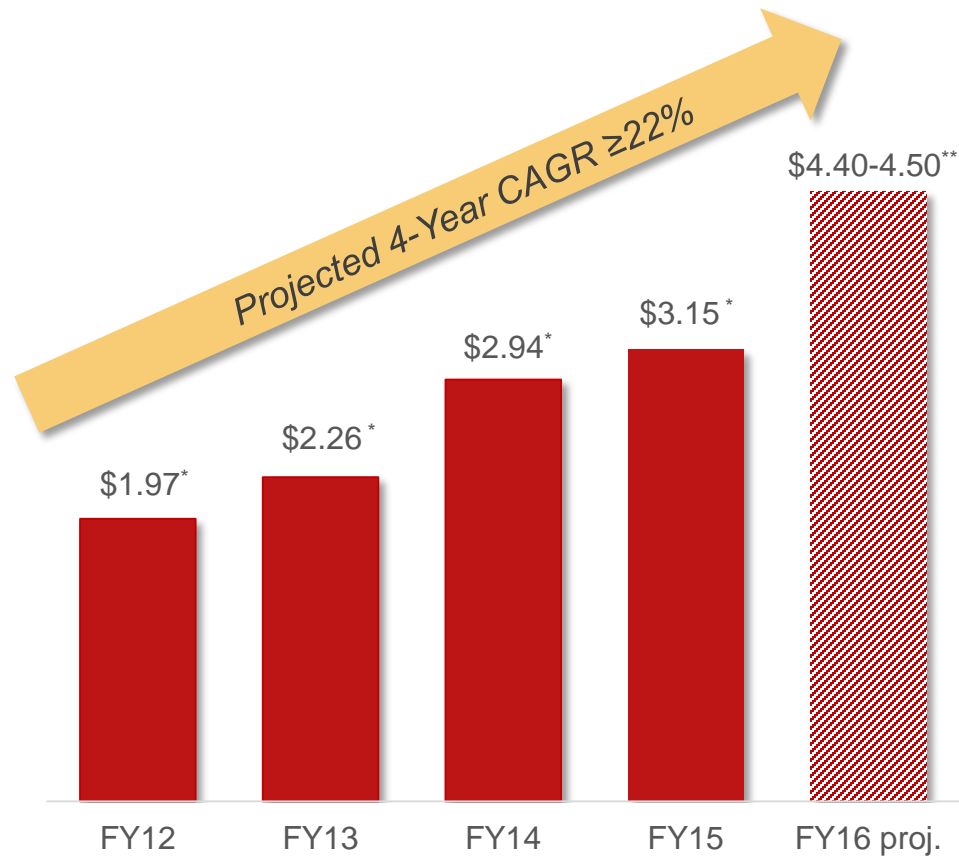
# Tyson Core 9 leads in Dollar Performance

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



Source: IRI Total U.S. All Outlet (x Costco) All Edible Food Dollar Sales, 13 weeks ending 7/24/2016

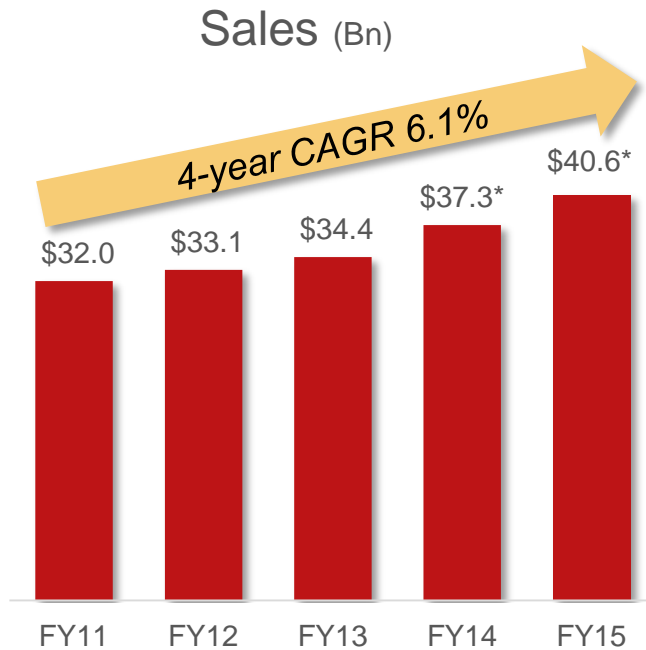
# Adjusted EPS Growth



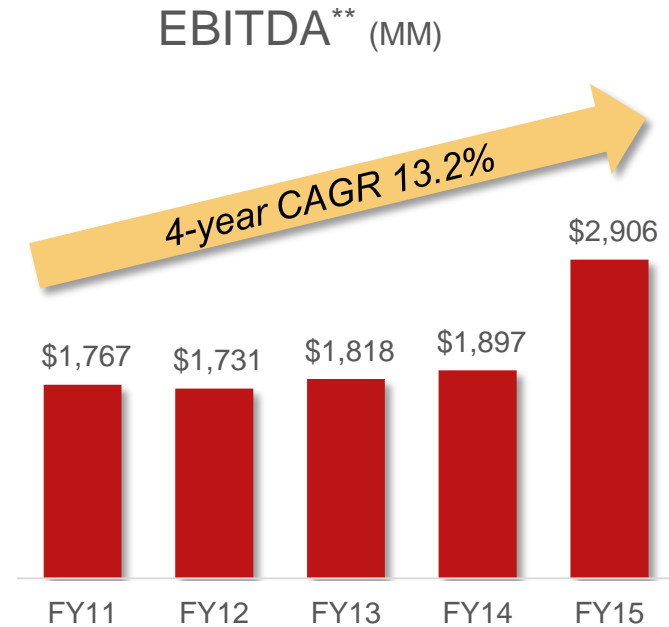
*\*Represents a non-GAAP financial measure. Adjusted EPS is explained and reconciled to "EPS Reported from Continuing Operations" in the Appendix at "EPS Reconciliations."*

*\*\* Projected adjusted EPS guidance as of 08/08/16. Adjusted EPS guidance represents a non-GAAP financial measure. Adjusted EPS guidance is explained and reconciled to "Net income per share attributable to Tyson guidance" in the Appendix at "Adjusted EPS Guidance Reconciliations."*

# Sales & EBITDA

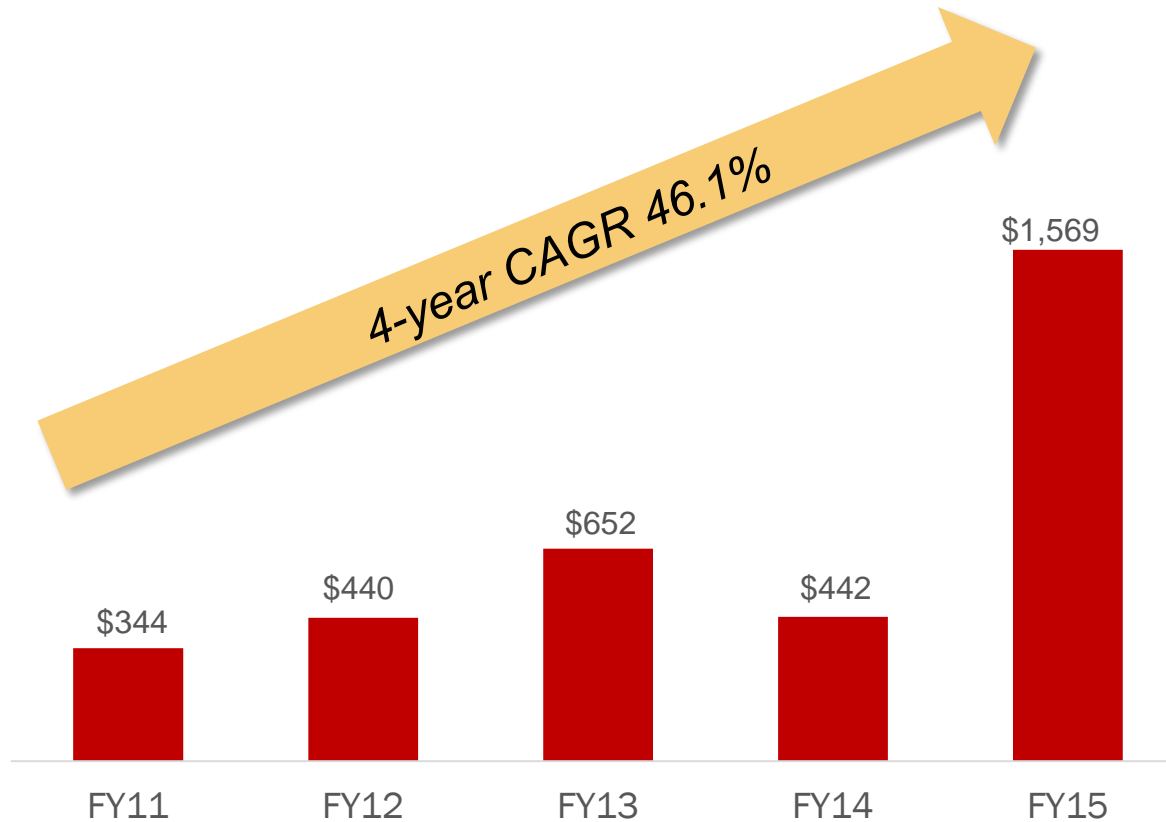


*\*Represents adjusted sales, a non-GAAP financial measure, which is explained and reconciled to "Reported Sales" in the Appendix at "Sales Reconciliations."*



*\*\*Represents a non-GAAP financial measure. EBITDA is explained and reconciled to "Net income" in the Appendix at "Historical EBITDA Reconciliations."*

# Free Cash Flow\*



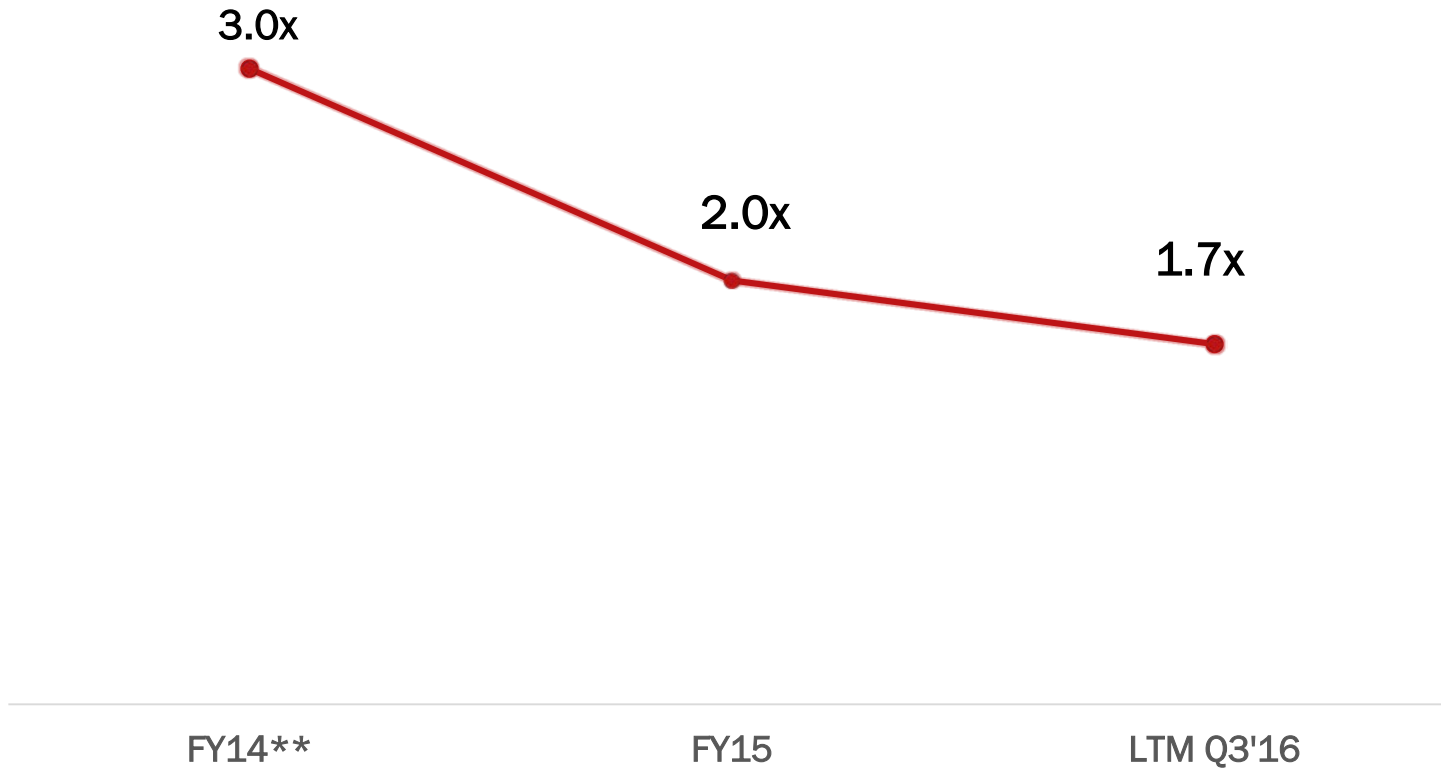
Free Cash Flow in millions

Free Cash Flow = Operating Cash Flow – CapEx – Dividends

\*Represents a non-GAAP financial measure. Free Cash Flow is explained and reconciled to “Cash Provided by Operating Activities” in the Appendix at “Free Cash Flow Reconciliations.”

# Net Debt/Adjusted EBITDA\*

Positioned for growth through rapid deleveraging



\*Represents a non-GAAP financial measure. Net debt and adjusted EBITDA are explained and reconciled to "Net income" (adjusted EBITDA) and "Total gross debt" (Net Debt) in the Appendix at "EBITDA Reconciliations."

\*\* FY14 Net Debt/EBITDA calculated on a pro forma basis due to the acquisition of Hillshire Brands in August 2014. See Appendix at "EBITDA Reconciliations" for more information.

## Priorities for Cash

- Growing our businesses organically through operational efficiency and capital expansion projects, along with investing in innovation and brand building
- Acquiring businesses that support our strategic objectives
- Returning cash to shareholders through share repurchases and dividends while maintaining plenty of liquidity and investment-grade credit ratings and continuing to expand debt capacity

*“Capital allocation priorities are governed by a disciplined focus on driving long-term shareholder value.” – Dennis Leatherby, CFO*

## Synergies

FY15 – \$322 million realized

FY16 – expecting more than \$500 million

FY17 – expecting approximately \$700 million

### Synergy Categories:

- Prepared Foods Improvements
- Procurement
- Manufacturing & Logistics
- Organizational & Fiduciary

## FY15

\$40.6 Billion in Adjusted Sales\*

Up 9% over FY14

5.5% Total Company Adjusted Return on Sales\*

\$2.25 Billion in Adjusted Operating Income\*

Up 37% over FY14

\$2.6 Billion in Operating Cash Flow

\$3.15 Adjusted EPS\*

Up 7% over FY14

*\*Represents a non-GAAP financial measure. Adjusted sales, adjusted operating income and adjusted return on sales are explained and reconciled to comparable GAAP measures in the Appendix at "Adjusted Sales, Adjusted Operating Income and Adjusted Operating Margin Reconciliations." Adjusted EPS is explained and reconciled to EPS Reported from Continuing Operations in the Appendix at "EPS Reconciliations."*

## Q3'16 Operating Results

- | Record Adjusted EPS\* of \$1.21
- | Record Q3 Company Operating Margin of 8.2%
  - Record Q3 Chicken Segment Margin of 13.9%

(\$ in millions)	<u>Q3'16</u>	<u>Q3'15</u>	<u>YOY Growth</u>
Sales	\$ 9,403	\$ 10,071	(7)%
Adj. Oper. Income*	\$ 767	\$ 568	35%
Adj. ROS*	8.2%	5.6%	
<u>Adj. EPS*</u>	<u>\$ 1.21</u>	<u>\$ 0.80</u>	<u>51%</u>

\*Represents a non-GAAP financial measure. Adjusted EPS, adjusted operating income and adjusted return on sales are explained and reconciled to a comparable GAAP measures in the Appendix at "EPS Reconciliations" and "Operating Income and Operating Margin Reconciliations."

# FY16 Outlook

Adjusted EPS Guidance\* of \$4.40-4.50\*\*

Represents approximately 40-43% growth over FY15 adjusted EPS\*

Sales of ~\$37B

Includes impact of divestitures and deflationary environment of raw materials

Synergies of more than \$500 million

Prepared Foods Segment margin near the low end of the 10-12% range

Chicken Segment margin of more than 12%

Pork Segment margin above 10%

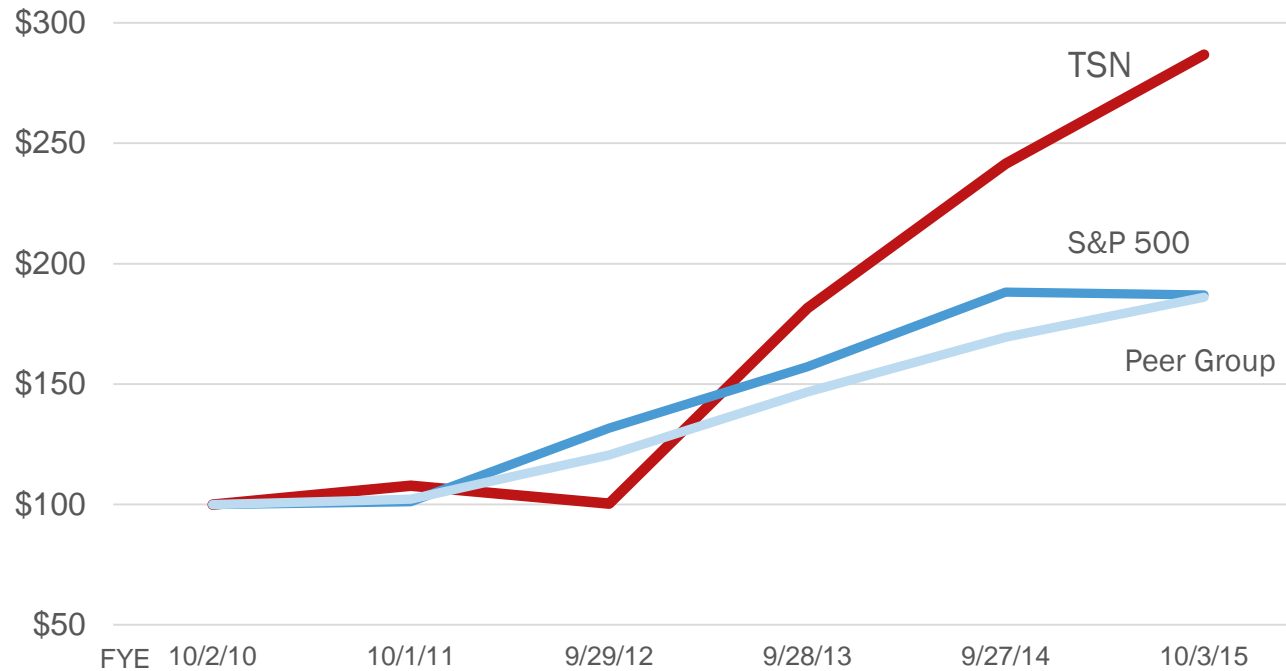
Beef Segment within its normalized range of 1.5-3%

*\*Represents a non-GAAP financial measure. Adjusted EPS and adjusted EPS Guidance are explained and reconciled to a comparable GAAP measure in the Appendix.*

*\*\*Projected EPS guidance as of 08/08/16*

# TSN Performance vs. S&P 500 and Peer Group\*

## Comparison of 5-year cumulative total returns



\*The total cumulative return on investment (change in the year-end stock price plus reinvested dividends), which is based on the stock price or composite index at the end of fiscal 2010, is presented for each of the periods for Tyson Foods, the S&P 500 Index and the peer group. The graph compares the performance of the Company's Class A common stock with that of the S&P 500 Index and the peer group, with the return of each company in the peer group weighted on market capitalization. The information in the graph shall not be deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Securities Exchange Act of 1934. See the Appendix for a list of the peer group.

## Why Invest in TSN?

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- Advantaged brands in advantaged product categories, focused on protein
- Multi-protein, multi-channel, all day parts, all meal occasions
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- Innovation and insights
- Strong free cash flow and a strong balance sheet
- Higher, more stable earnings over time
- Outperforming S&P 500 and peer group
- **A Growth Company**

# Appendix

## AVERAGE WEEKLY PRODUCTION (FISCAL YEAR 2015)



## TEAM MEMBERS



## MARKET SHARE

Tyson Foods produces approximately  
**1 in 5 pounds**  
of chicken, beef, and pork in the U.S.

## NUMBER OF FACILITIES

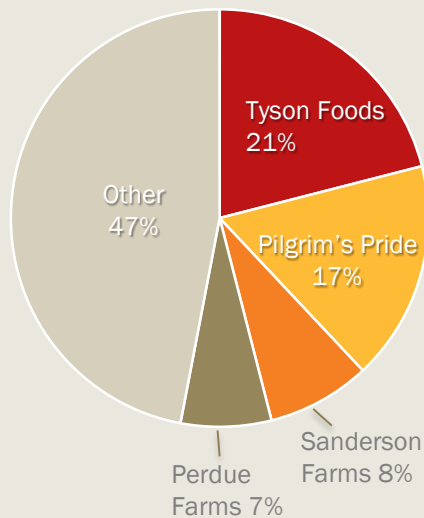


\*includes 3 case-ready beef and pork plants

## U.S. Operations Location Map

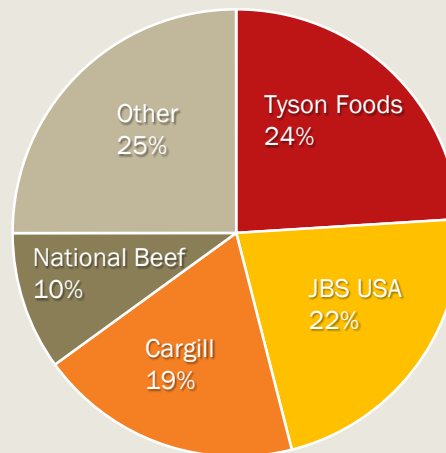


# Meat Protein Market Share



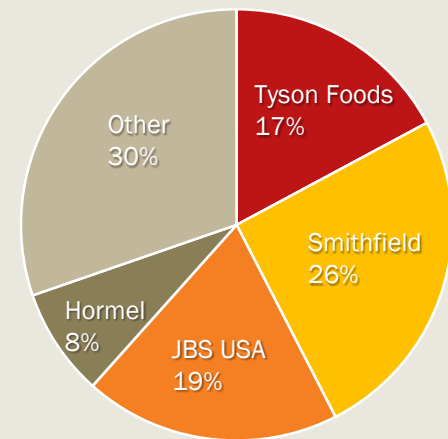
**U.S. Chicken Production**

Source: *Watt Poultry USA*, March 2016  
Based on ready-to-cook pounds



**Top U.S. Beef Packers**

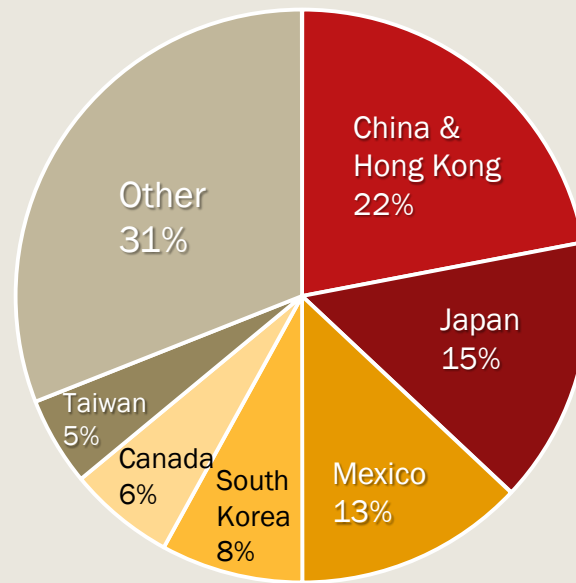
Source: *Cattle Buyers Weekly, % of Daily Slaughter Capacity (head)*, 2015



**U.S. Pork Production**

Source: *National Pork Board 2014 Quick Facts*  
Based on estimated U.S. slaughter capacity (head per day). JBS Swift and Cargill were combined into JBS USA to reflect pro forma production resulting from the JBS acquisition of Cargill's pork operations.

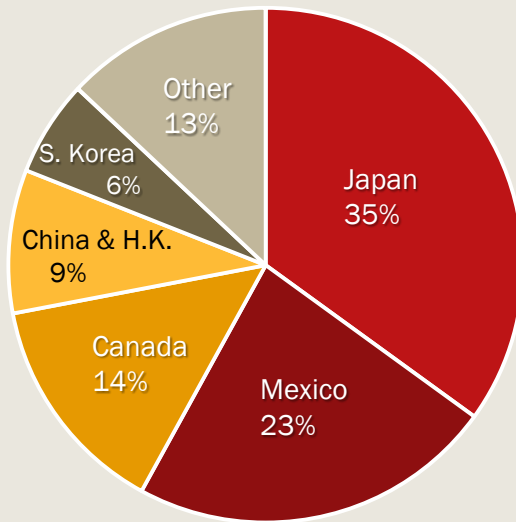
# FY15 International Sales



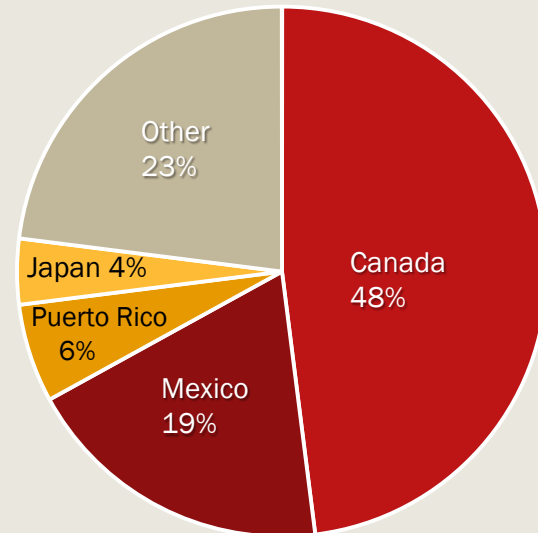
FY15 International Sales  
\$4.6 Billion\*

\* Based on 52 weeks. Includes all exports as well as in-country production in China and India. In-country production sales in Mexico and Brazil are excluded as we sold these operations in FY15.

# FY15 International Sales



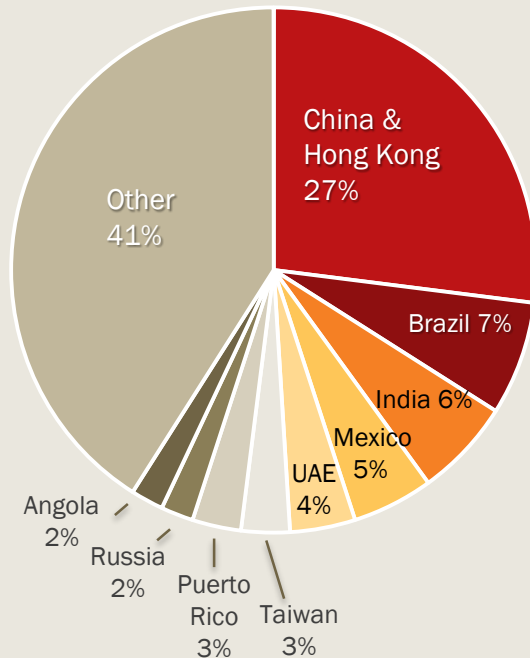
FY15 International Pork Sales\*  
\$938 Million



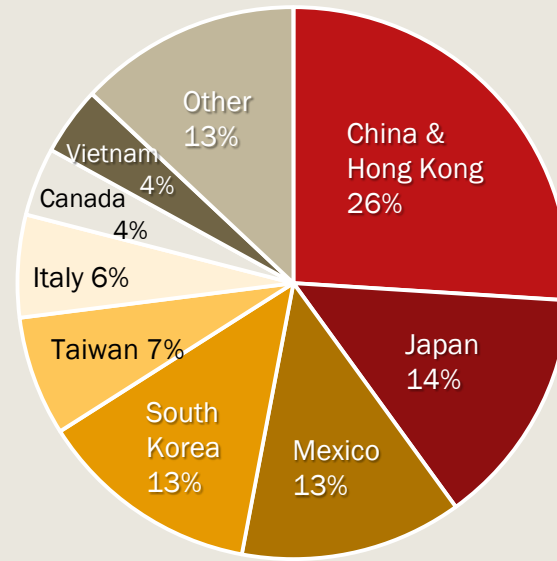
FY15 International Prepared Foods Sales\*  
\$126 Million

\* Based on 52 weeks.

# FY15 International Sales



FY15 International Chicken Sales\*  
\$1.1 Billion\*\*



FY15 International Beef Sales\*  
\$2.4 Billion

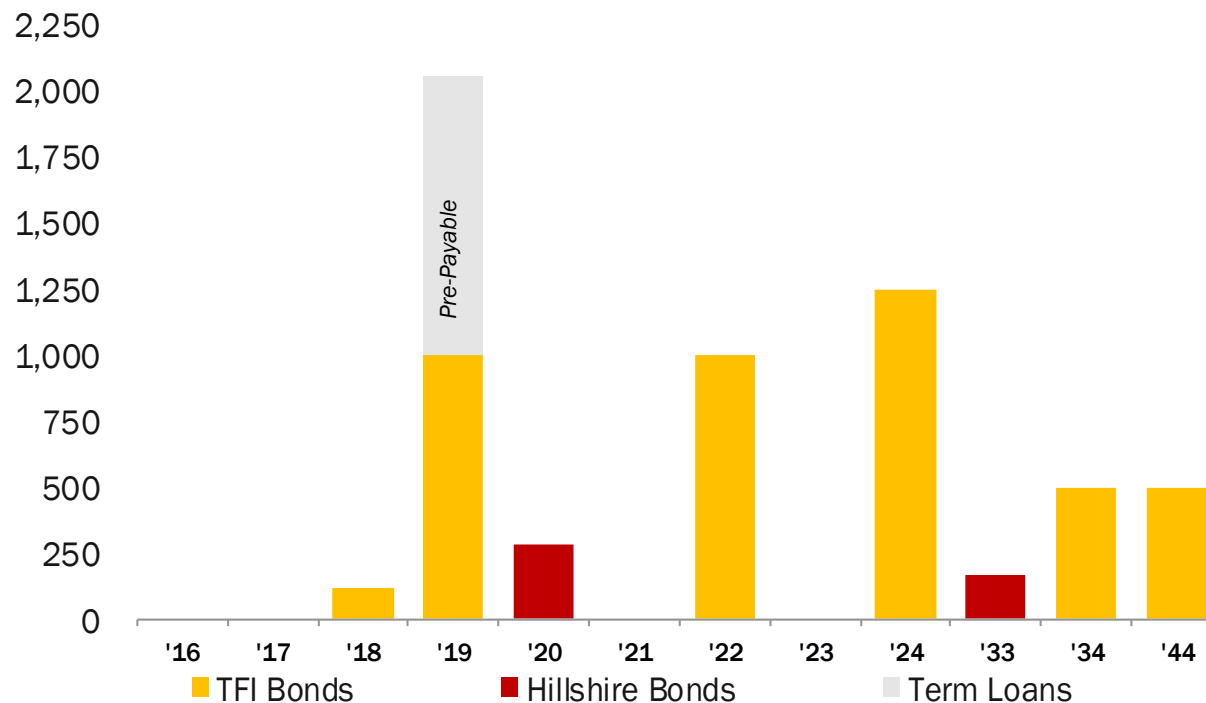
\* Based on 52 weeks.

\*\* Includes exports and all in-country production in China and India. In-country production sales in Mexico and Brazil are excluded as we sold these operations in FY15.

# Debt Maturity Profile

## Fiscal Year Maturities

(\$ in millions)



- Term loans are pre-payable at par.
- Excludes \$88MM Tangible Equity Units amortizing note, \$18MM TFI senior note due 2028, and \$53MM other miscellaneous debt (e.g. capital leases, foreign debt, and discount on senior notes).
- \$1.25 billion Revolver credit facility matures FY19; outstanding balance as of 7/2/16 was \$150MM.

# Sales Reconciliations

\$ in millions  
Unaudited

	Fiscal Year	
	2015	2014
Reported sales	\$ 41,373	\$ 37,580
Less: Impact of additional week (a)	(750)	-
Less: Hillshire Brands post-closing sales	-	(325)
Adjusted sales	\$ 40,623	\$ 37,255

(a) The estimated impact of the additional week in fiscal 2015 was calculated by dividing unadjusted sales for the fourth quarter of fiscal 2015 by 14 weeks.

Adjusted sales is presented as a supplementary measure of our financial performance that is not required by, or presented in accordance with, GAAP. We use adjusted sales as an internal performance measurement and as one criterion for evaluating our performance relative to that of our peers. We believe adjusted sales is 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 sales. Further, we believe that adjusted sales is a useful measure because it improves comparability of results of operations from period to period. Adjusted sales should not be considered as a substitute for sales 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 sales may not be comparable to similarly titled measures reported by other companies.

# EPS Reconciliations

\$ in millions, except per share data

Unaudited

	12 Months Ended							
	October 3, 2015		September 27, 2014		September 28, 2013		September 29, 2012	
	Operating Income	EPS	Operating Income	EPS	Operating Income	EPS	Operating Income	EPS
Reported from Continuing Operations	2,169	\$ 2.95	1,430	\$ 2.37	1,375	\$ 2.31	1,286	\$ 1.68
Less:								
Recognition of previously unrecognized tax benefit	-	(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)	-	-	-	-	-	-
Estimated impact of additional week	(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 impairment 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	\$ 2,253	\$ 3.15	\$ 1,649	\$ 2.94	\$ 1,375	\$ 2.26	\$ 1,286	\$ 1.97

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.

# Adjusted EPS Guidance Reconciliations

Unaudited

	Fiscal 2016	
	Low	High
Net income per share attributable to Tyson guidance	\$ 4.47	\$ 4.57
Less: Recognition of previously unrecognized tax benefit and audit settlement	(0.07)	(0.07)
Adjusted net income per share attributable to Tyson guidance	\$ 4.40	\$ 4.50

Adjusted net income per share attributable to Tyson guidance (adjusted EPS guidance) is presented as a supplementary measure of our expected financial performance that is not required by, or presented in accordance with, GAAP. We use adjusted EPS guidance as an internal performance measurement and as one criterion for evaluating our performance relative to that of our peers. We believe adjusted EPS guidance is 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 EPS guidance. Further, we believe that adjusted EPS guidance is a useful measure because it improves comparability of results of operations from period to period. Adjusted EPS guidance should not be considered a substitute for 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 EPS guidance may not be comparable to similarly titled measures reported by other companies.

The above table providing a reconciliation of the Company's fiscal 2016 adjusted EPS guidance to fiscal 2016 net income per share attributable to Tyson guidance contains forward-looking information. All forward-looking information involves risks and uncertainties. Actual results may differ materially from those contemplated by the forward-looking information for a number of reasons as described in the Company's filings with the SEC.

# Historical EBITDA Reconciliations

\$ in millions  
Unaudited

	12 Months Ended (a)				
	2015	2014	2013	2012	2011
Net income	\$ 1,224	\$ 856	\$ 778	\$ 576	\$ 733
Less: Interest income	(9)	(7)	(7)	(12)	(11)
Add: Interest expense	293	132	145	356	242
Add: Income tax expense (b)	697	396	411	351	341
Add: Depreciation	609	494	474	443	433
Add: Amortization (c)	92	26	17	17	29
<b>EBITDA</b>	<b>\$ 2,906</b>	<b>\$ 1,897</b>	<b>\$ 1,818</b>	<b>\$ 1,731</b>	<b>\$ 1,767</b>

(a) EBITDA for fiscal 2015 was based on a 53-week year, while fiscal 2014-2011 was based on a 52-week year.

(b) Includes income tax expense of discontinued operation.

(c) Excludes the amortization of debt discount expense of \$10 million, \$10 million, \$28 million, \$39 million and \$44 million for fiscal 2015, 2014, 2013, 2012 and 2011, respectively, as it is included in Interest expense.

EBITDA represents net income, net of interest, income tax and depreciation and amortization. EBITDA is presented as a supplemental financial measurement in the evaluation of our business. We believe the presentation of this financial measure helps 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. This measure is widely used by investors and rating agencies in the valuation, comparison, rating and investment recommendations of companies; however, the measurement of EBITDA may not be comparable to those of other companies, which limits their usefulness as comparative measures. EBITDA is not a measure required by or calculated in accordance with generally accepted accounting principles (GAAP) and should not be considered as a substitute 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 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 involve outlays of cash. As a result, actual cash available to service our debt obligations will be different from EBITDA. Investors should rely primarily on our GAAP results and use non-GAAP financial measures only supplementally in making investment decisions.

# Free Cash Flow Reconciliations

\$ in millions  
Unaudited

	12 Months Ended				
	2015	2014	2013	2012	2011
Cash Provided by Operating Activities	\$ 2,570	\$ 1,178	\$ 1,314	\$ 1,187	\$ 1,046
Less: Capital Expenditures	(854)	(632)	(558)	(690)	(643)
Less: Dividends Paid	(147)	(104)	(104)	(57)	(59)
Free Cash Flow	\$ 1,569	\$ 442	\$ 652	\$ 440	\$ 344

Free Cash Flow is defined as net cash provided by operating activities, less capital expenditures, less dividends. We use this non-GAAP financial measure to focus management and investors on the amount of cash available for debt repayment, acquisition opportunities and/or returning cash to shareholders through share repurchases. Free Cash Flow is presented as a supplementary financial measurement in the evaluation of our business and we believe the presentation of Free Cash Flow helps investors assess our financial performance from period to period and enhance understanding of our financial performance; however, Free Cash Flow may not be comparable to those of other companies in our industry, which limits the usefulness as a comparative measure. Free Cash Flow is not a measure required by or calculated in accordance with GAAP and should not be considered as a substitute for any 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.

# EBITDA Reconciliations

\$ in millions  
Unaudited

	12 Months Ended (b)		
	July 2, 2016	October 3, 2015	September 27, 2014
Net income	\$ 1,639	\$ 1,224	\$ 856
Less: Interest income	(8)	(9)	(7)
Add: Interest expense	263	293	132
Add: Income tax expense	913	697	396
Add: Depreciation	622	609	494
Add: Amortization (a)	83	92	26
<b>EBITDA</b>	<b>\$ 3,512</b>	<b>\$ 2,906</b>	<b>\$ 1,897</b>
Adjustments to EBITDA:			
Add: China impairment	\$ 169	\$ 169	\$ -
Add: Merger and integration costs	8	57	-
Add: Prepared Foods network optimization charges	59	59	-
Add: Denison plant closure	12	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	(25)	(8)	12
Less: Gain on sale of the Mexico operation	(161)	(161)	-
Less: Gain on sale of equity securities	-	(21)	-
<b>Total Adjusted EBITDA</b>	<b>\$ 3,574</b>	<b>\$ 3,013</b>	<b>\$ 2,167</b>
Pro forma Adjustments to EBITDA:			
Add: Hillshire Brands adjusted EBITDA (prior to acquisition) (c)	n/a	n/a	422
<b>Total Pro forma Adjusted EBITDA</b>	<b>n/a</b>	<b>n/a</b>	<b>\$ 2,589</b>
Total gross debt	\$ 6,178	\$ 6,725	\$ 8,178
Less: Cash and cash equivalents	(197)	(688)	(438)
Less: Short-term investments	(4)	(2)	(1)
<b>Total net debt</b>	<b>\$ 5,977</b>	<b>\$ 6,035</b>	<b>\$ 7,739</b>
Ratio Calculations:			
Gross debt/EBITDA	1.8x	2.3x	4.3x
Net debt/EBITDA	1.7x	2.1x	4.1x
Gross debt/Adjusted EBITDA	1.7x	2.2x	3.8x
Net debt/Adjusted EBITDA	1.7x	2.0x	3.6x
Gross debt/Pro forma Adjusted EBITDA	n/a	n/a	3.2x
Net debt/Pro forma Adjusted EBITDA	n/a	n/a	3.0x

# EBITDA Reconciliations, Continued

(a) Excludes the amortization of debt discount expense of \$8 million, \$10 million and \$10 million for the twelve months ended July 2, 2016, October 3, 2015, and September 27, 2014, respectively, as it is included in Interest expense.

(b) Adjusted EBITDA for twelve months ended July 2, 2016 and October 3, 2015 was based on a 53-week year while twelve months ended September 27, 2014, was based on a 52-week year.

(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.

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.

# Adjusted Sales, Adjusted Operating Income and Adjusted Operating Margin Reconciliations

\$ in millions  
Unaudited

	12 Months Ended	
	October 3, 2015	
Reported sales	\$	41,373
Less: Estimated impact of additional week (a)		(750)
Adjusted sales	\$	40,623
Reported operating income (loss)	\$	2,169
Add: China impairment		169
Add: Merger and integration costs		57
Add: Prepared Foods network optimization charges		59
Add: Denison plant closure		12
Less: Insurance proceeds (net of costs) related to a legacy Hillshire Brands plant fire		(8)
Less: Gain on sale of the Mexico operation		(161)
Adjusted operating income prior to adjustment for additional week		2,297
Less: Estimated impact of additional week (b)		(44)
Adjusted operating income	\$	2,253
Adjusted operating margin %		5.5%

(a) The estimated impact of the additional week in the 12 months of fiscal 2015 was calculated by dividing unadjusted sales for the fourth quarter of fiscal 2015 by 14 weeks.

(b) 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 sales, adjusted operating income and adjusted operating margin are presented as supplementary measures of our operating performance that are not required by, or presented in accordance with, GAAP. We use adjusted sales, adjusted operating income and adjusted operating margin as internal performance measurements and as three criteria for evaluating our performance relative to that of our peers. We believe adjusted sales, adjusted operating income and adjusted operating margin are meaningful to our investors to enhance their understanding of our operating performance and are frequently used by securities analysts, investors and other interested parties to compare our performance with the performance of other companies that report adjusted sales, adjusted operating income and adjusted operating margin. Further, we believe that adjusted sales, adjusted operating income and adjusted operating margin are useful measures because they improve comparability of results of operations from period to period. Adjusted sales, adjusted operating income and adjusted operating margin should not be considered as a substitute for sales, operating income or operating margin or any other measure of operating 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 sales, adjusted operating income and adjusted operating margin may not be comparable to similarly titled measures reported by other companies.

# Operating Income and Operating Margin Reconciliation

in millions  
Unaudited

	Third Quarter	
	2016	2015
Reported Sales	\$ 9,403	\$ 10,071
Reported operating income	767	563
Add: Merger and integration costs	-	16
Less: Proceeds related to a legacy Hillshire Brands plant fire	-	(11)
Adjusted operating income	767	568
Adjusted operating margin %	8.2%	5.6%

Adjusted operating income and adjusted operating margin are presented as supplementary measures of our operating performance that is not required by, or presented in accordance with, GAAP. We use adjusted operating income and adjusted operating margin 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 operating margin are meaningful to our investors to enhance their understanding of our operating 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 operating margin. Further, we believe that adjusted operating income and adjusted operating margin are useful measures because they improve comparability of results of operations from period to period. Adjusted operating income and adjusted operating margin should not be considered as a substitute for operating income, operating margin or any other measure of operating 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 operating margin may not be comparable to similarly titled measures reported by other companies.

# EPS Reconciliations

in millions, except per share data  
Unaudited

	Third Quarter			
	Pre-Tax Impact		EPS Impact	
	2016	2015	2016	2015
Reported net income per share attributable to Tyson			\$ 1.25	\$ 0.83
Add: Merger and integration costs	\$ -	\$ 16	-	(0.02)
Less: Insurance proceeds related to a legacy Hillshire Brands plant fire	\$ -	\$ (11)	-	0.02
Less: Gain on sale of equity securities	\$ -	\$ (21)	-	(0.03)
Less: Recognition of previously unrecognized tax benefit and audit settlement	\$ -	\$ -	(0.04)	-
Adjusted net income per share attributable to Tyson			\$ 1.21	\$ 0.80

Adjusted net income per share attributable to Tyson (adjusted EPS) is presented as a supplementary measure of our financial performance that is not required by, or presented in accordance with, GAAP. We use adjusted EPS as an internal performance measurement and as one criterion for evaluating our performance relative to that of our peers. We believe adjusted EPS is 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 EPS. Further, we believe that adjusted EPS is a useful measure because it improves comparability of results of operations from period to period. Adjusted EPS should not be considered as a substitute for 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 EPS may not be comparable to similarly titled measures reported by other companies.

## TSN Performance vs. S&P 500 and Peer Group

The peer group includes: Archer-Daniels-Midland Company, Bunge Limited, Campbell Soup Company, ConAgra Foods, Inc., Dean Foods Company, General Mills, Inc., Hormel Foods Corp., Kellogg Co., McCormick & Co., Mondelez International Inc., PepsiCo, Inc., Pilgrim's Pride Corporation, Sanderson Farms, Inc., The Hershey Company, and The J.M. Smucker Company.