



Strong Today Leading for Tomorrow

Investor Presentation

June 2017



Forward-Looking Statements

Certain information contained in this presentation 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 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 and subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.



Why Invest in TSN

- Our three-year **Total Shareholder Return** far exceeds our peer set
- We've produced **consistent earnings growth** and returned cash to shareholders through **share repurchases** and **dividends**; however, following the acquisition of AdvancePierre, we have prioritized debt repayment over share repurchases until our target leverage ratio is reached
- We occupy a unique position at the intersection of **Opportunity, Capability** and **Firepower**
 - **Differentiated capabilities** position us to capitalize on opportunities created by changing consumer demand for fresh, protein packed foods
 - We **lead** across channels, categories and eating occasions with a **diverse product portfolio**
 - Our **expertise** spans from agriculture to dining culture with the ability to drive positive change at **unmatched scale**
 - Our **solid** business model and **disciplined execution** give us the firepower to capitalize on opportunities

“We will **grow**, **deliver** results and **sustain** that growth over time.”

– *President & CEO Tom Hayes*



Strong Today, Leading for Tomorrow

Strong
Financials

Unique
Position

Purpose
Driven

Clear
Strategy

Future
Focused
Team



FY16 – Another Record Year

- Record Operating Income
- Record Operating Margin
- Record Adjusted EPS*
- Record Operating Cash Flow
- Record Pork Segment Operating Margin
- Record Prepared Foods Segment Operating Margin

(\$ in millions)	FY16	FY15	YOY Growth
Net Sales	\$36,881	\$40,623*	-9%
Adjusted Operating Income*	\$2,833	\$2,253	26%
Adjusted Operating Margin*	7.7%	5.5%	
Adjusted EPS*	\$4.39	\$3.15	39%
Operating Cash Flow	\$2,716	\$2,570	6%

(\$ in millions)	FY16		Adjusted YOY Growth*
	Dollars	ROS%	
Operating Income			
Beef	\$347	2.4%	755%
Pork	\$528	10.8%	42%
Chicken	\$1,305	11.9%	-3%
Prepared Foods	\$734	10.0%	15%
Other	\$(81)	n/a	n/a
Total	\$2,833	7.7%	26%

*Represents a non-GAAP financial measure. Adjusted sales, adjusted operating income, adjusted operating margin and adjusted EPS are explained and reconciled to comparable GAAP measures in the Appendix.



First Half of FY17

Highlights

- Record Adjusted EPS* of \$2.60, up 17% from last year
- Record Adjusted Operating Income* up 8% to \$1.6 billion
- Operating Cash Flow of \$982 million

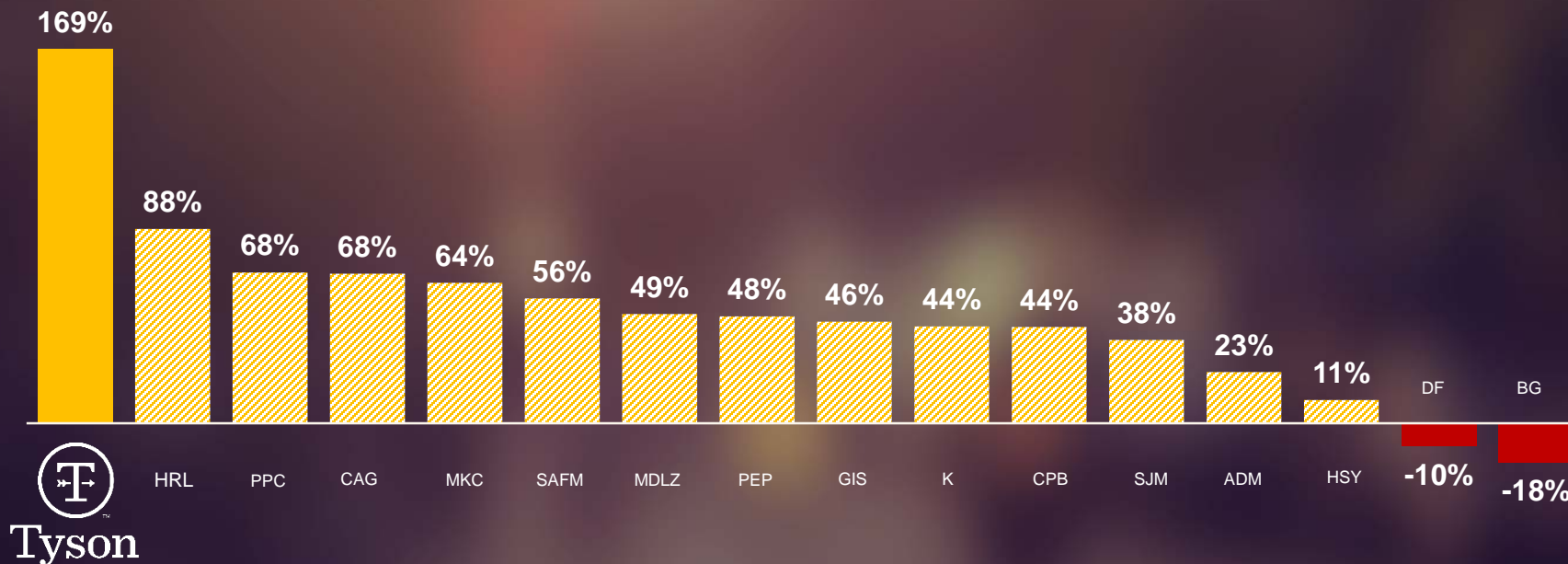
*Represents a non-GAAP financial measure. Adjusted EPS, adjusted operating income and adjusted operating margin are explained and reconciled to comparable GAAP measures in the Appendix.

(\$ in millions, except per share data)	Six Months FY17
Sales	\$18,265
Adjusted Operating Income*	\$1,605
Adjusted Operating Margin*	8.8%
Adjusted EPS*	\$2.60

(\$ in millions)	Six Months FY17	
	Dollars	ROS%
Adjusted Operating Income*		
Beef	\$425	6.1%
Pork	388	15.2%
Chicken	496	9.0%
Prepared Foods	329	9.0%
Other	(33)	n/a
Total	\$1,605	8.8%

Driving Unmatched Shareholder Return Among Peers

Total Shareholder Return* 2014-2016

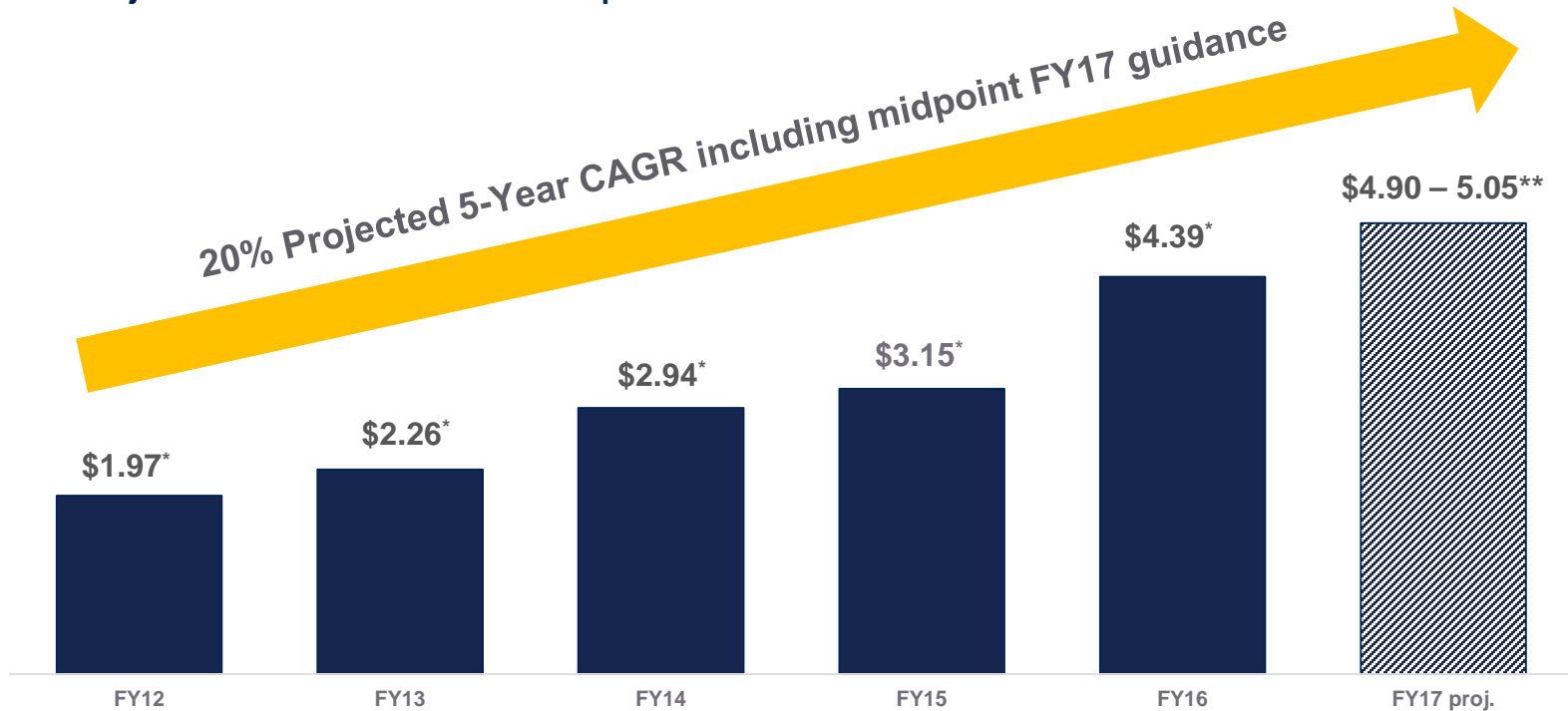


*SOURCE: Bloomberg - This information should not be deemed to be "soliciting material" subject to regulation 14a or 14c or to the liabilities of Section 18 of the Securities Exchange Act of 1934



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 adjusted EPS guidance as of 5/08/17. A further explanation of providing non-GAAP guidance is included in the appendix.



FY17 Outlook

Adjusted EPS of
\$4.90-5.05*
~12% growth over FY16

Sales of \$36-37B**
Similar to FY16 as we grow
volume across each
segment, offset by lower
beef prices

CapEx of ~\$1B with
a focus on high ROIC
projects

Chicken Segment
operating margin in 9-
11% normalized range**

Beef Segment
operating margin
around 5%

Pork Segment
operating margin
around 12%

Prepared Foods
Segment operating
margin approximately
9%**

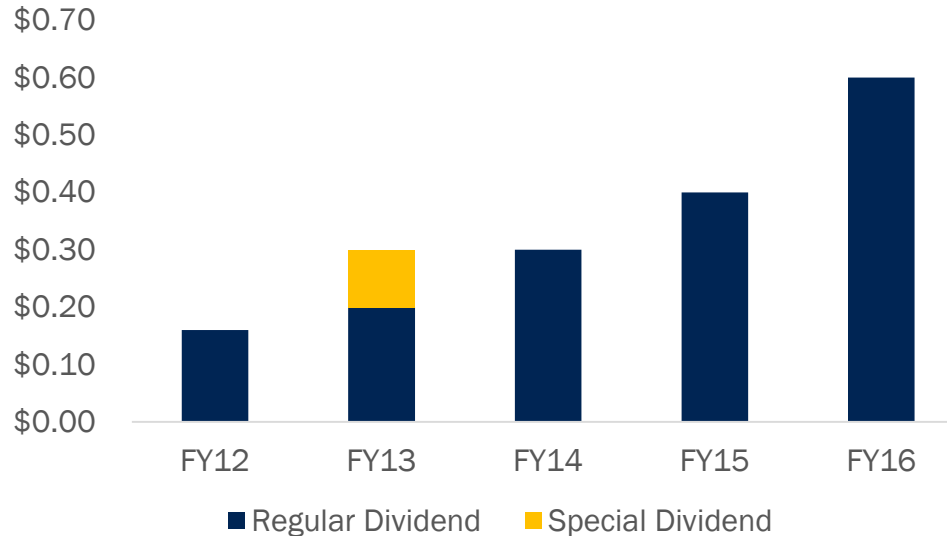
**Projected Adjusted EPS as of 5/08/17. Represents a non-GAAP financial measure. Adjusted EPS is explained and reconciled to comparable GAAP measures in the Appendix. A further explanation of providing non-GAAP guidance is included in the Appendix.*

***Excludes potential impacts of the AdvancePierre acquisition or the sale of three non-protein businesses announced on 4/24/17. Our fiscal 2017 sales may be impacted by the timing of closing these transactions.*



Returning Cash to Shareholders

Dividends Paid per Class A Share

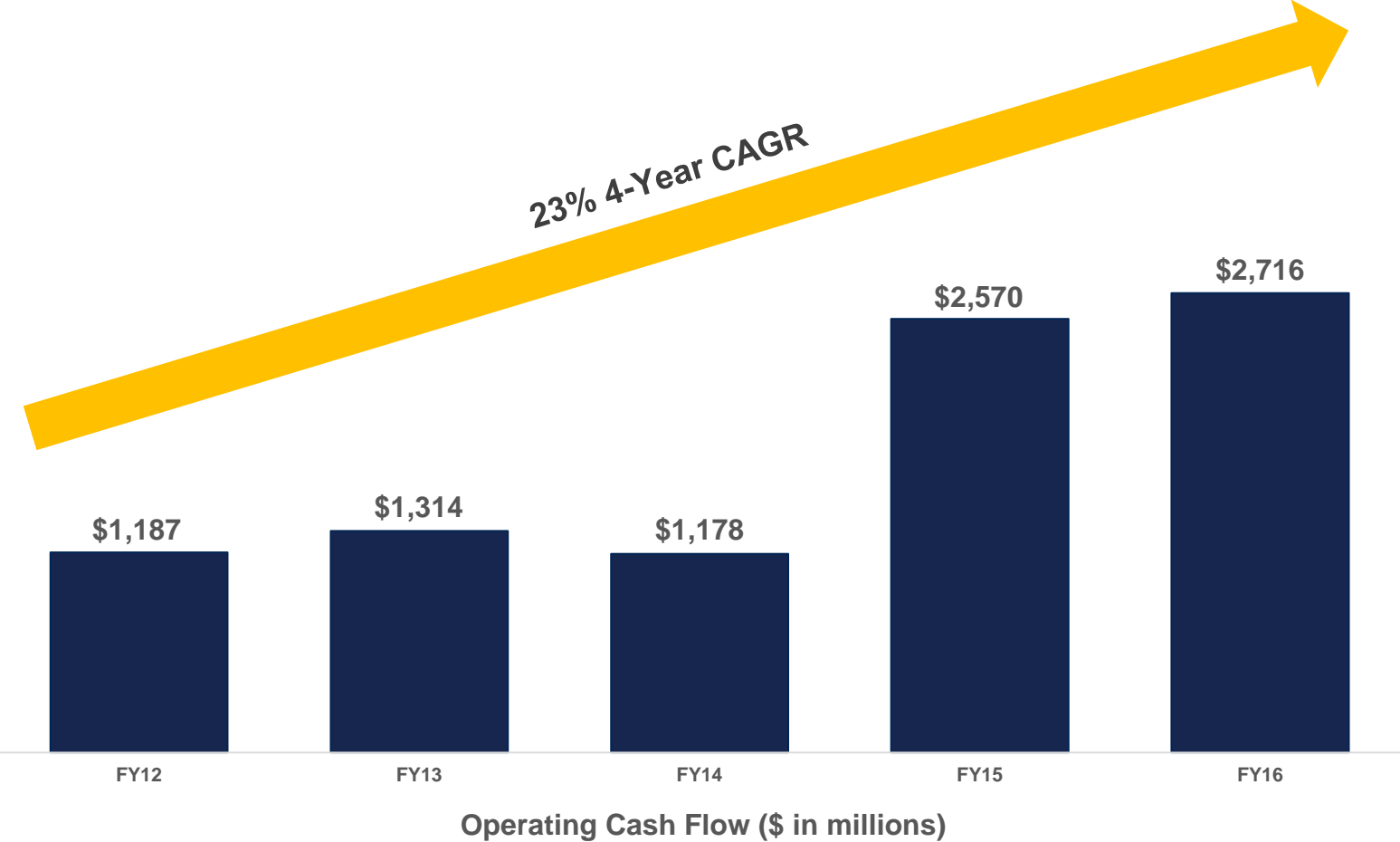


- Board of Directors increased regular quarterly dividend by 50% to \$0.225 per share for Class A common stock payable on 12/15/16
- Board of Directors intends to increase future dividends for Class A shares by at least 10 cents per share annually
- 28.2 million shares repurchased in fiscal 2016, excluding shares repurchased to offset dilution from equity compensation plans*

*Following the AdvancePierre acquisition, we have prioritized debt repayment over share repurchases until our target leverage ratio is reached



Strong Cash Flow Fuels Growth





Priorities for Cash

- Debt repayment
- 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

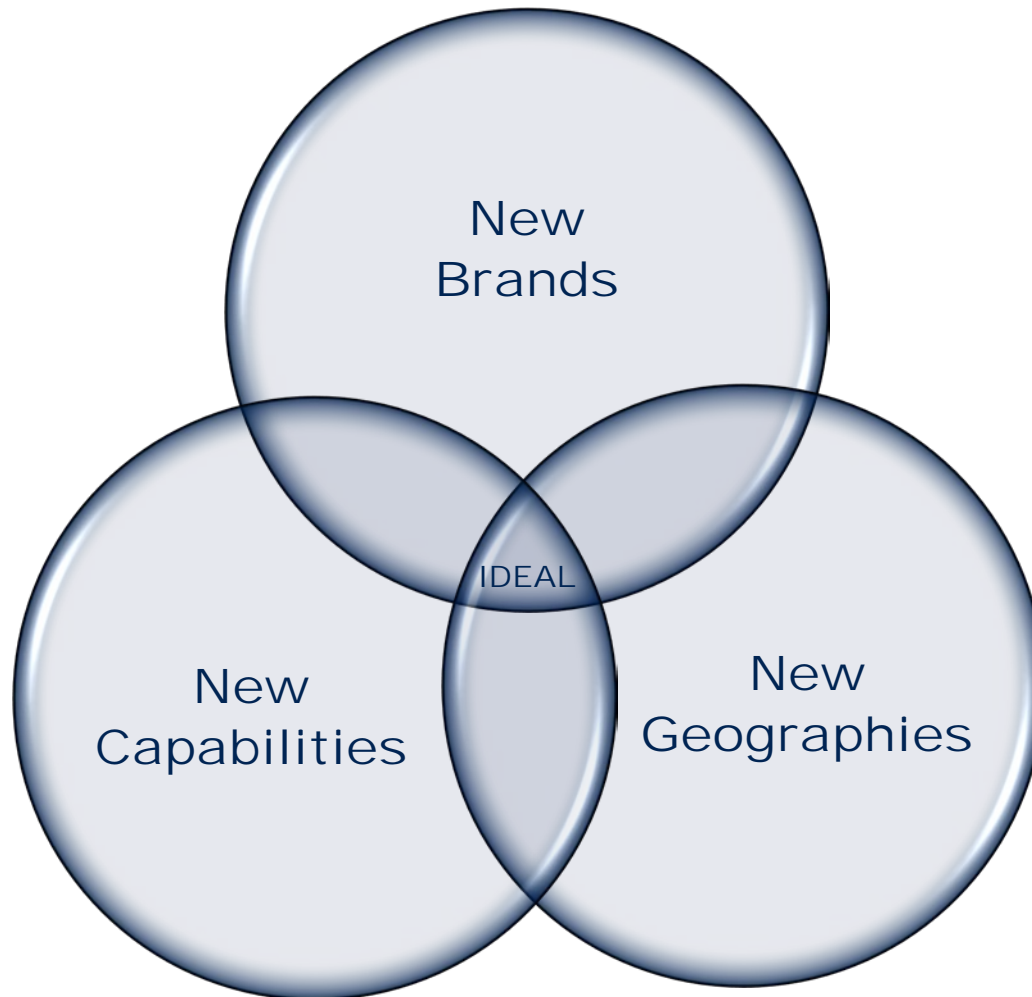
“Capital allocation priorities are governed by a disciplined focus on driving long-term shareholder value.”

– *Dennis Leatherby, CFO*

*Following the acquisition of AdvancePierre, we have prioritized debt repayment over share repurchases until our target leverage ratio is reached



A Simple Framework for M&A





Strategy for Growth



Our Purpose

**Raise the world's
expectations for how
much good food can do**

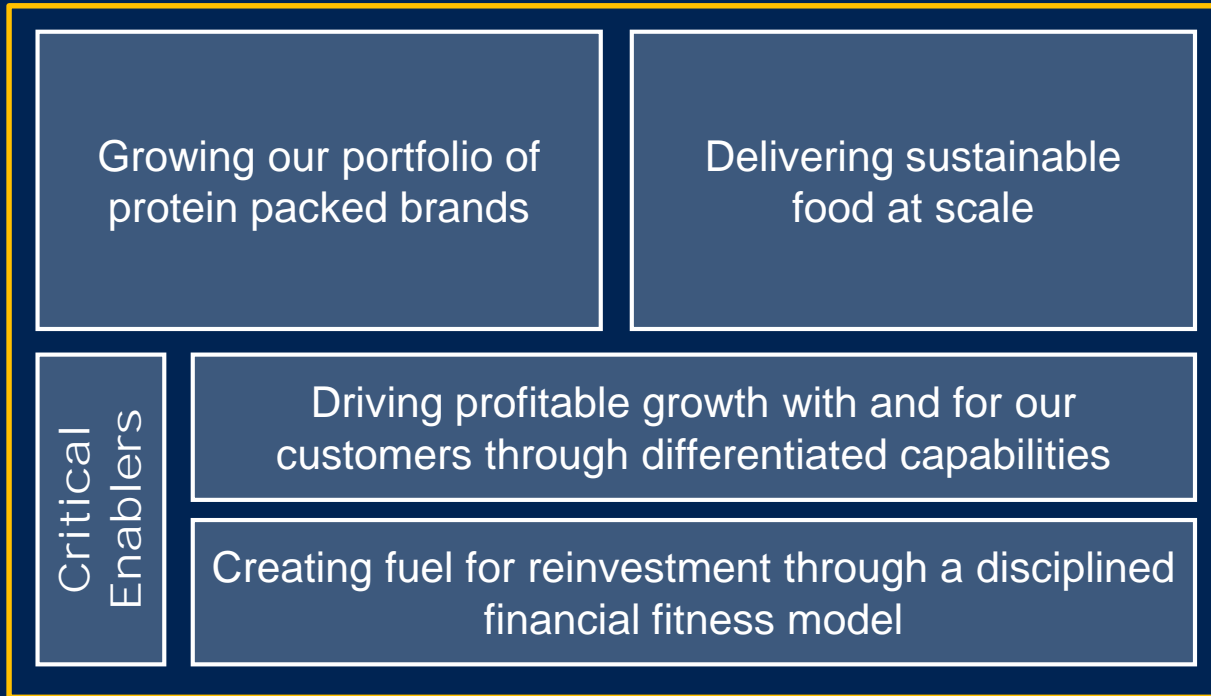


Strategic
Intent

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



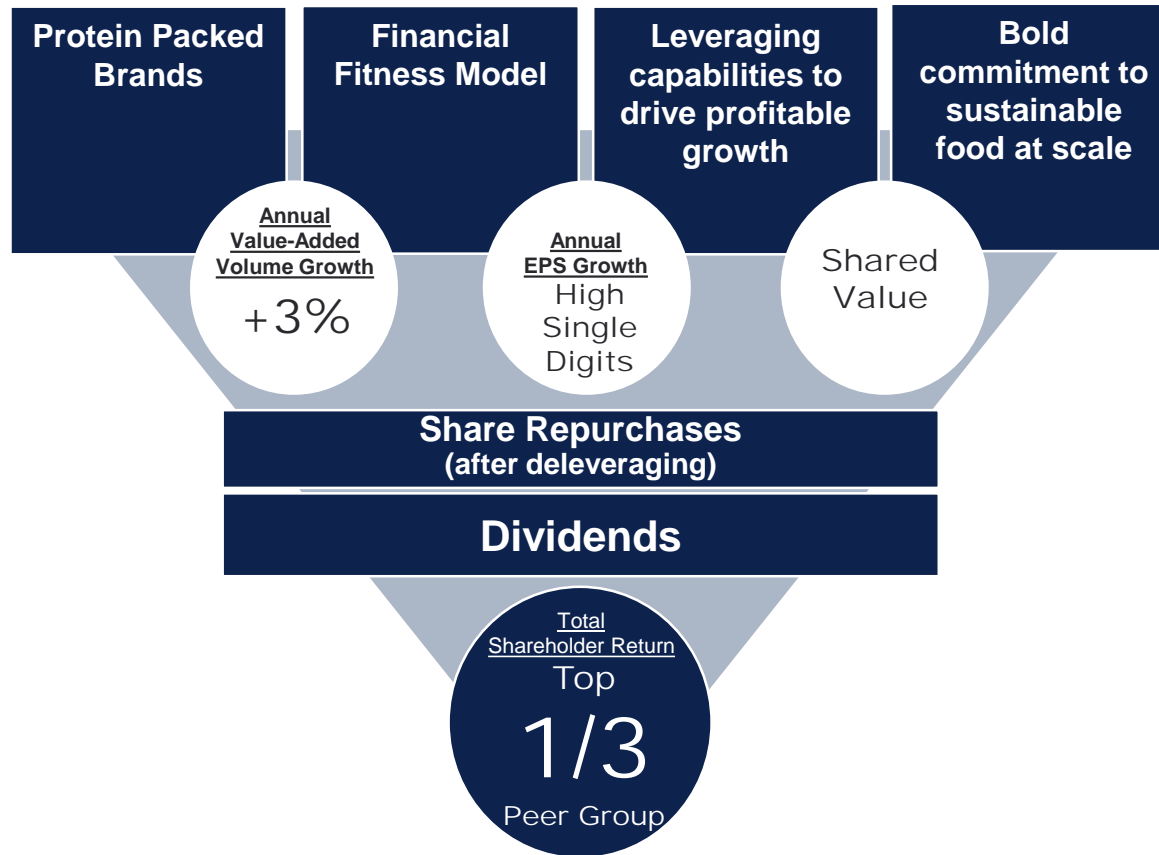
Twin Engines of Growth



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



Value Creation Model





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 for growth

TRANSFORM our business through technology



Superior Results Through Defined 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



Proven Leadership Team Aligned with Our Strategy

Tom Hayes

President & CEO

Team Elevates 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	Scott Spradley  Chief Technology Officer	Mary Oleksiuk  Chief Human Resources Officer	Justin Whitmore  Chief Sustainability Officer



Leading the Way in Food Sustainability



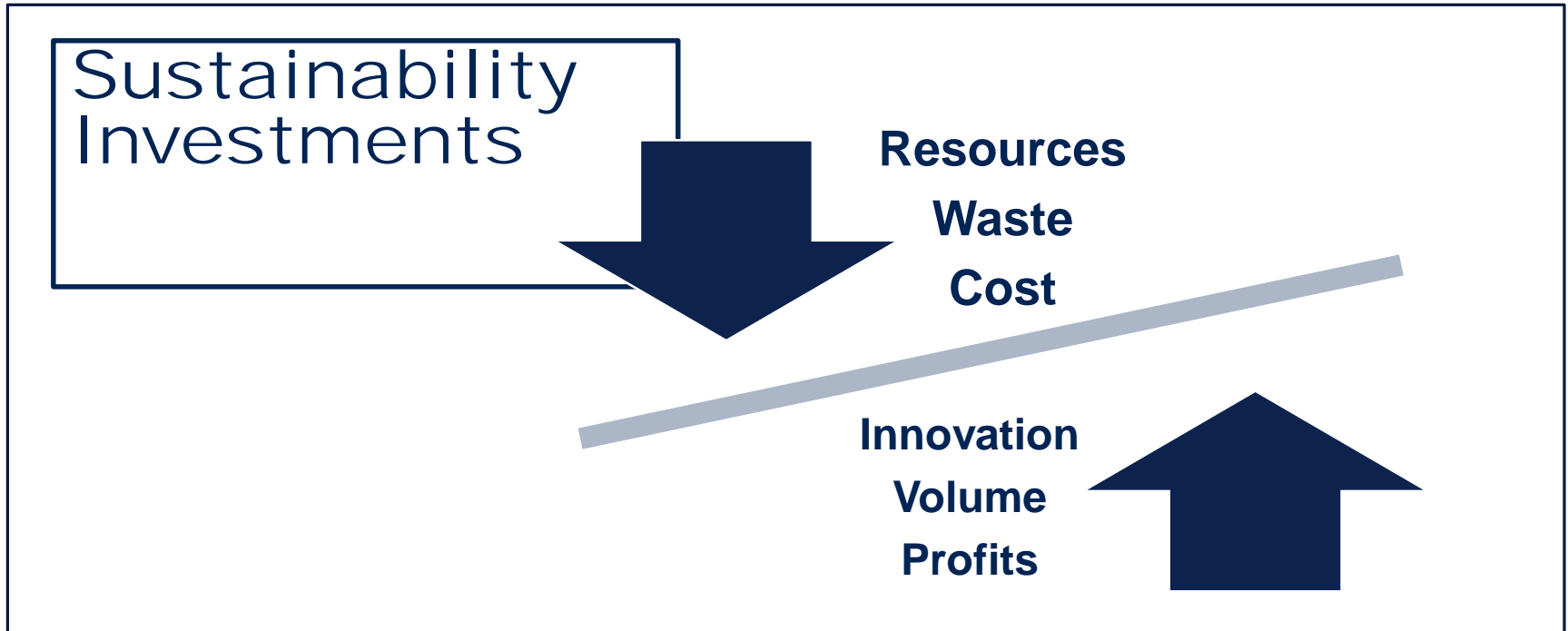
FORTUNE

No. 1 Most
Admired
Company

Food Production Industry

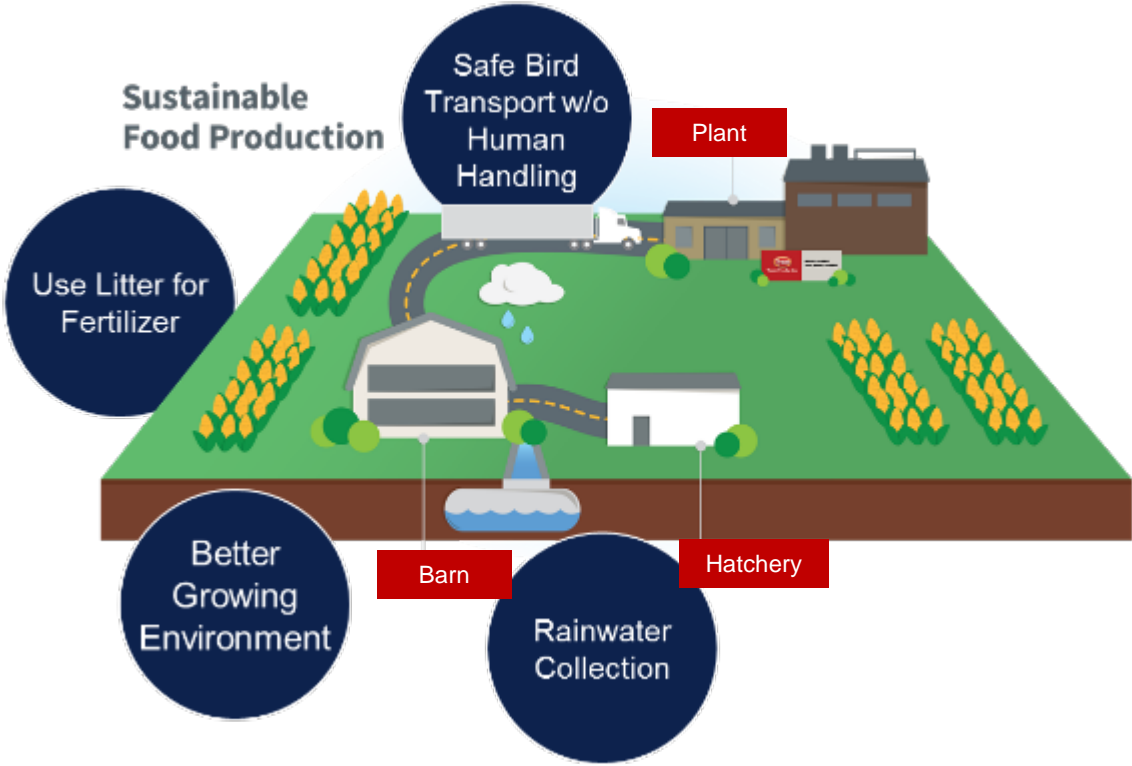


Over Time Sustainability Investments Will Fund Themselves





Poultry Farm of the Future





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 Commitments

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

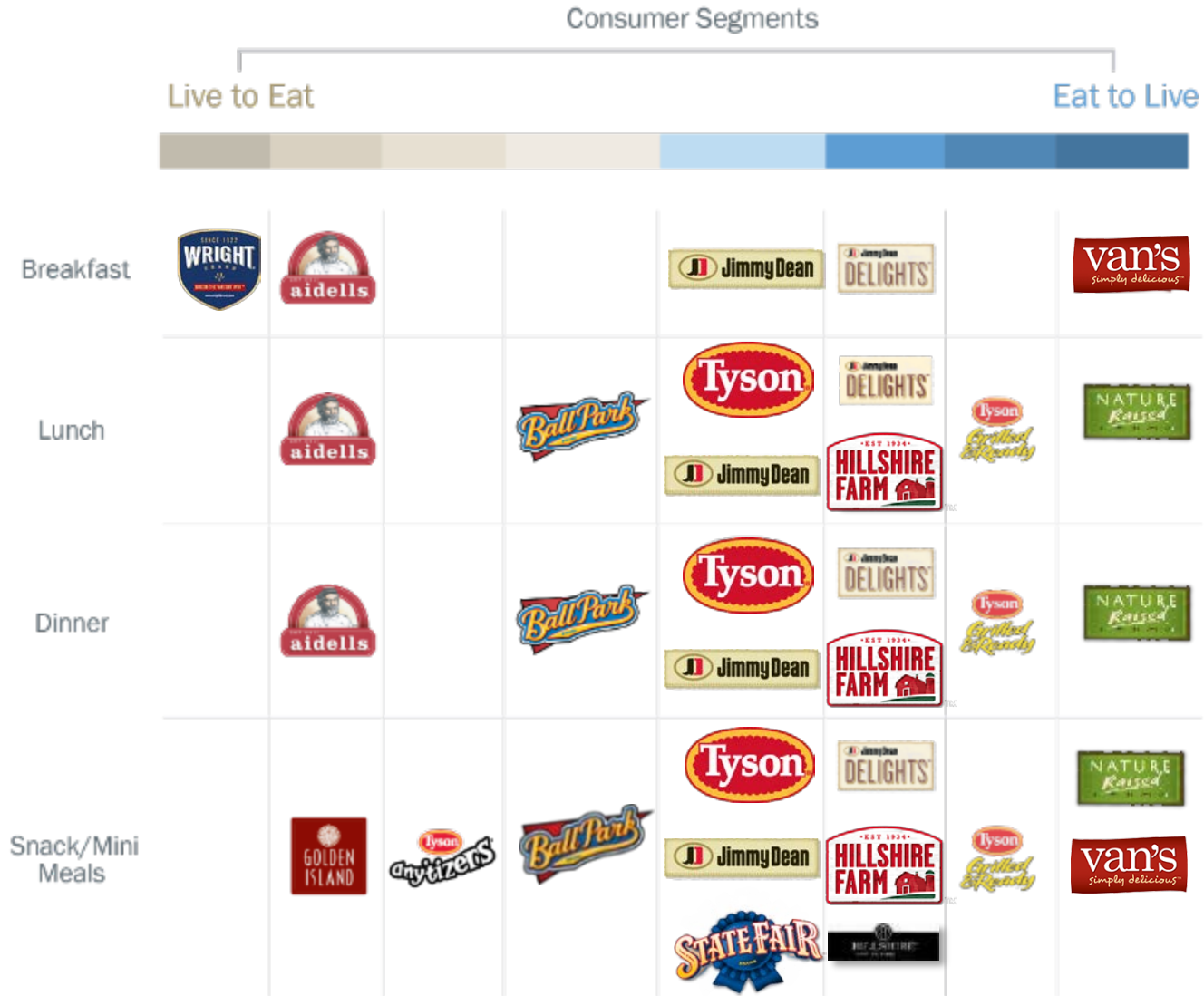




Retail Packaged Brands












Brand Portfolio for All Eating Occasions





“Core 9” Advantaged Brands in Advantaged Categories

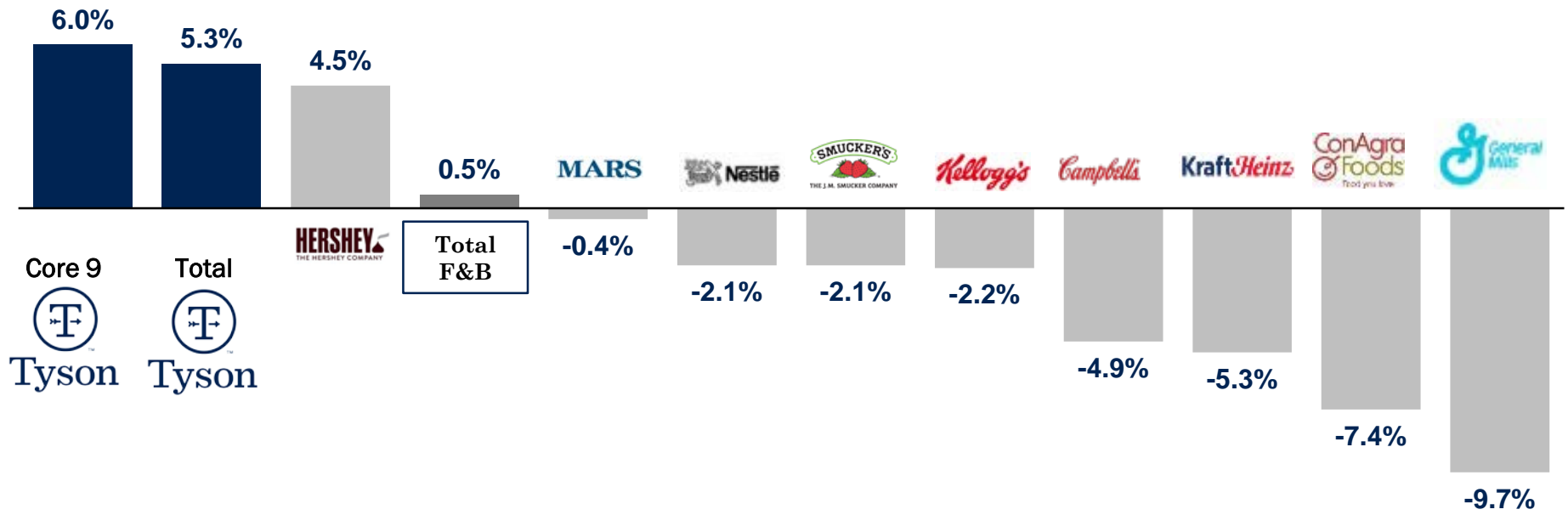
1 Frozen Prepared Chicken	1 Hot Dogs	1 Branded Stacked Bacon	1 Frozen Protein Breakfast	1 Breakfast Sausage
				
1 Smoked Sausage	2 Branded Lunchmeat	1 Corn Dogs	1 Super Premium Smoked Sausage	
				

Sources: IRI, Total US Multi-Outlet, data thru 6/4/17

Core 9 and Total Tyson Leading in CPG Volume Performance



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

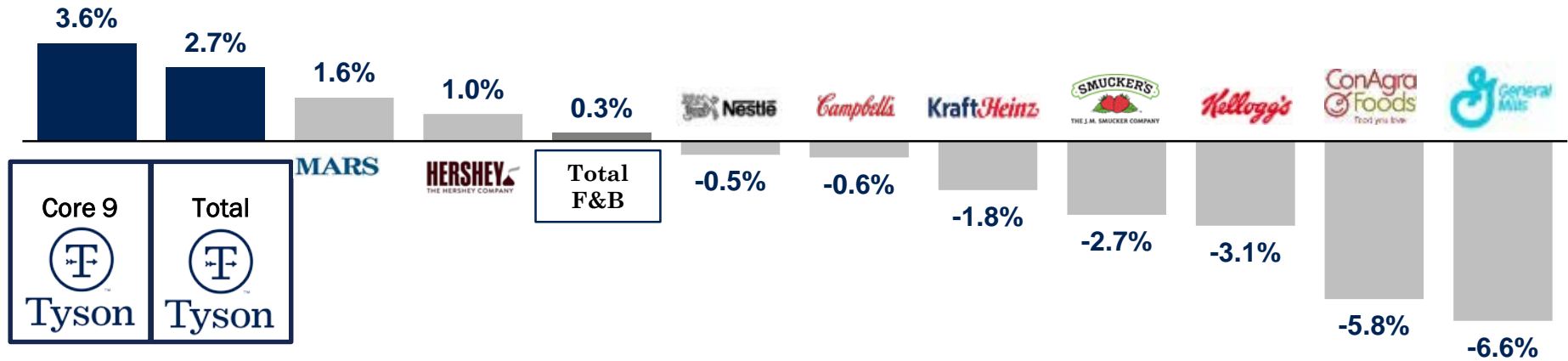


Source: IRI Total U.S. Multi-Outlet (x Costco) Volume Sales 52 weeks ending 6/04/2017
 Product = Total Edible + Pet Food
 Tyson = Tyson + Nature Raised Farms



Core 9 and Total Tyson Leading in CPG Dollar Performance

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



Source: IRI Total U.S. Multi-Outlet (x Costco) Dollar Sales 52 weeks ending 6/04/2017

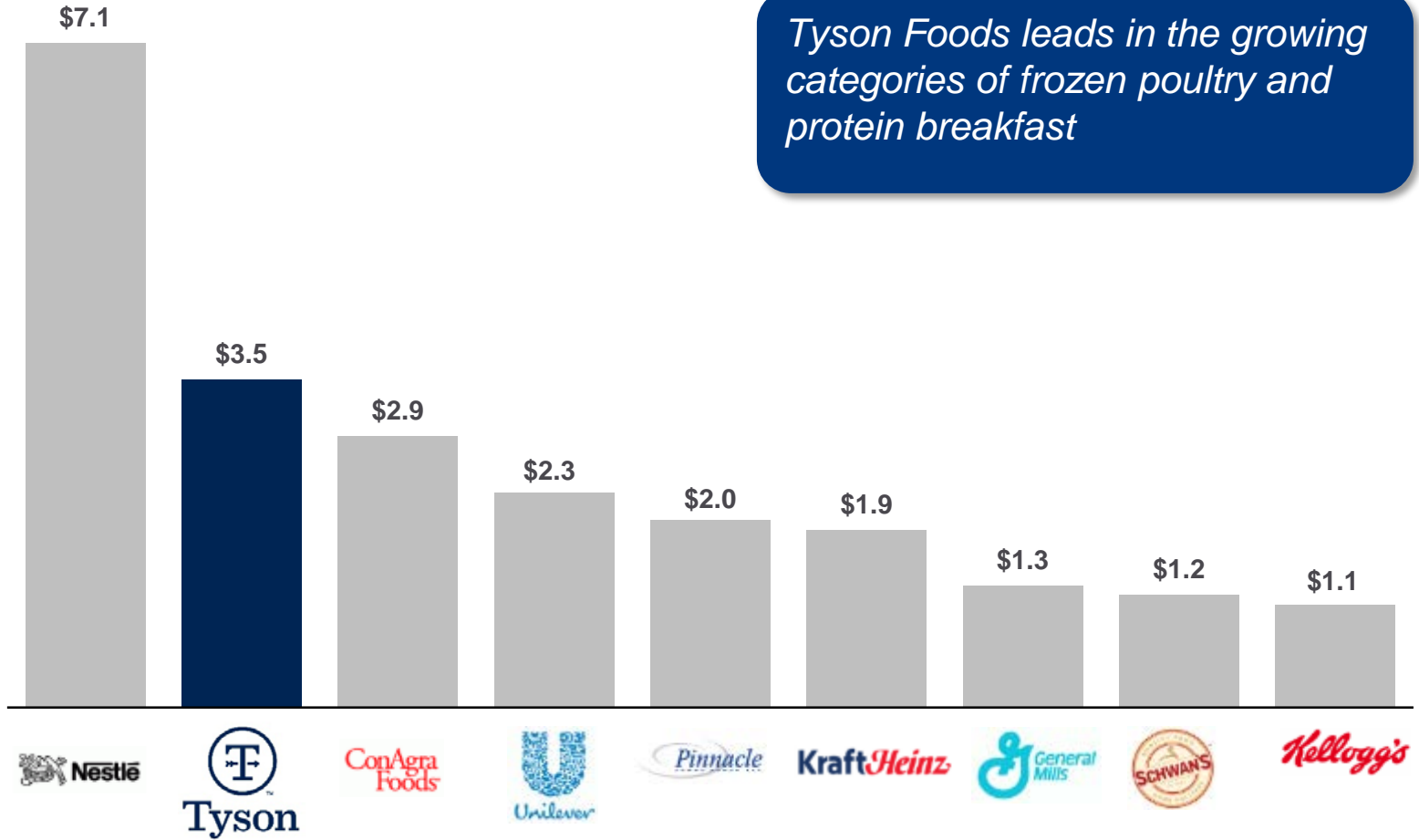
Product = Total Edible + Pet Food

Tyson = Tyson + Nature Raised Farms



#2 in Frozen Food

Sales in Billions



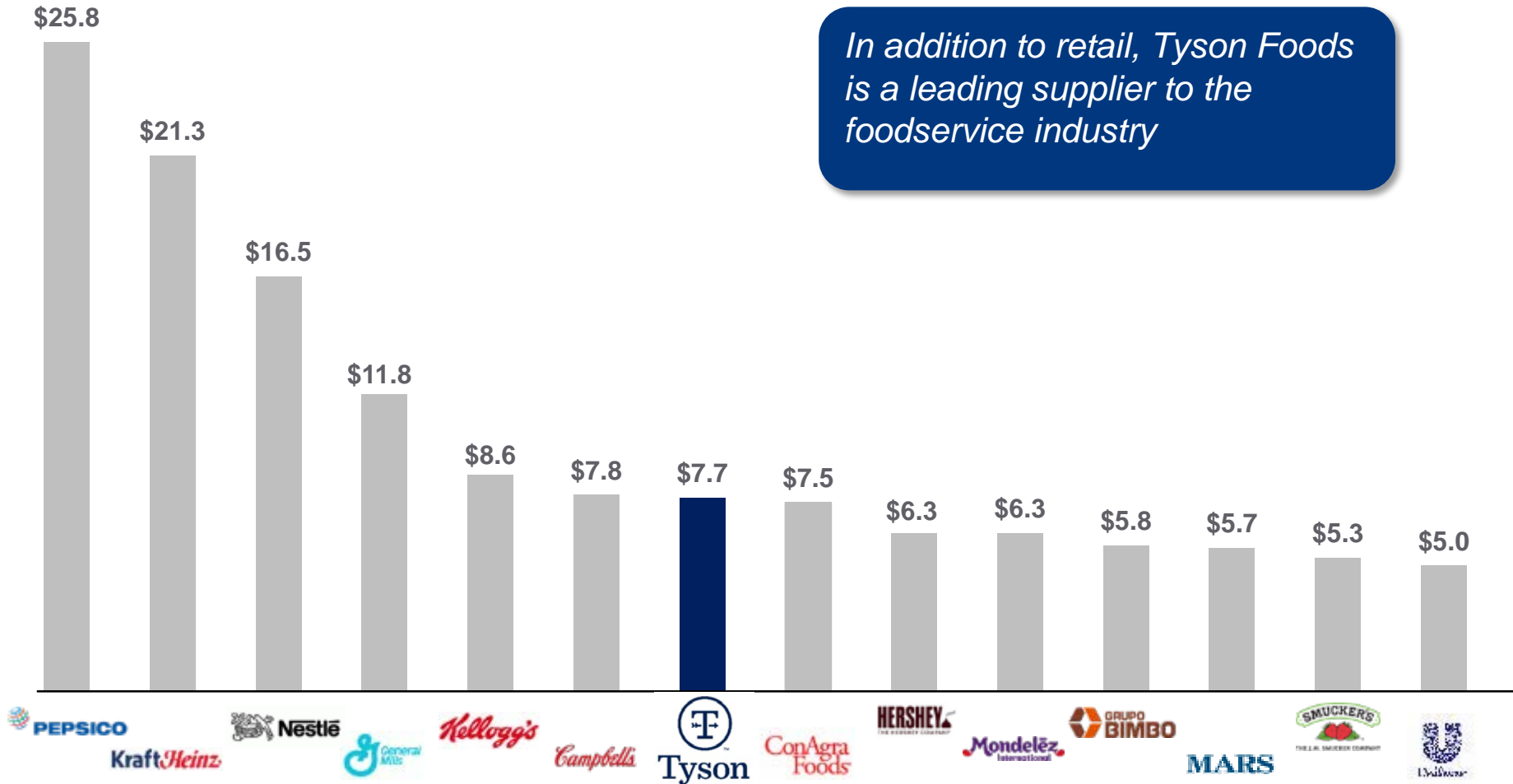
Source: IRI U.S. Multi-Outlet frozen category sales, 52 weeks ending 6/4/17



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

Among branded food companies >\$5B

Sales in Billions

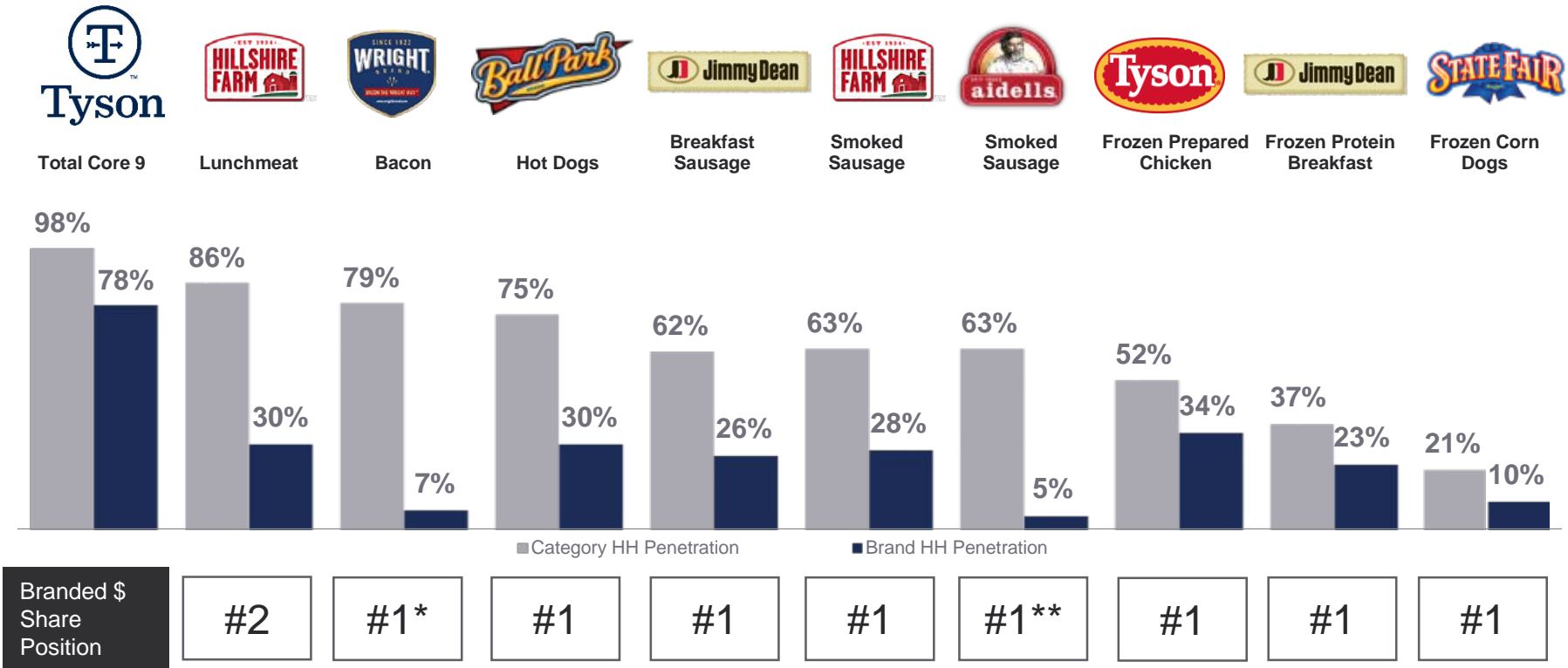


In addition to retail, Tyson Foods is a leading supplier to the foodservice industry

Source: IRI Total U.S. Multi-Outlet Sales, 52 weeks ending 6/4/17



Opportunity in Current Spaces



SOURCE: IRI a) National Consumer Panel for 52 weeks ending 5/14/17 b) Total US Multi-Outlet for 52 weeks ending 6/4/17
 *Within branded stacked bacon **Within super-premium smoked sausage segment



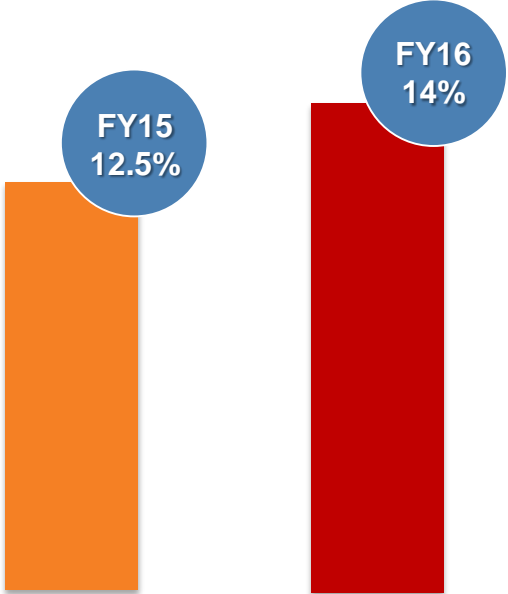
Innovation



Innovation Performance



Retail Packaged Brands innovation vitality growing



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



Innovation: No Antibiotics Ever & Organic

CHICKEN RAISED WITH
NO ANTIBIOTICS EVER!
NO PRESERVATIVES
NO ADDED HORMONES
OR STEROIDS**

June
2017



NATURE RAISED Farms
RIGHT FROM THE START

July
2017

organic





Retail Packaged Brands

Product Innovations and Brand Adjacencies



Tyson Tastemakers™

Currently in e-commerce





Tyson Tastemakers™

Expanding to Retail





AdvancePierre Acquisition



Logical Next Step in Strategy

Expands prepared foods offering; joins complementary market-leading portfolios

- Expands Tyson's prepared foods offerings with AdvancePierre's portfolio of ready-to-eat lunch and dinner sandwiches, sandwich components, entrees, and snacks
- Broadens Tyson's competitive position across poultry, beef and pork
- Improves competitiveness and sustainable long-term growth through increased scale and refined portfolio of prepared foods and protein-packed brands
- Also planning to divest existing Tyson non-protein branded assets to sharpen strategic focus

Valuable addition to current distribution and sales footprint

- Represents natural extension of our supply chain – Tyson's beef and pork businesses are able to provide many of AdvancePierre's raw material components
- Increases Tyson's exposure to the convenience distribution channel
- Accelerates growth of AdvancePierre's brands by leveraging Tyson's existing infrastructure and distribution channel

Enhances Tyson's financial profile

- Expected to be immediately accretive to Tyson's EPS on both a GAAP and cash basis
- Net debt to adjusted EBITDA ratio expected to be 2.7x*
- Significant and achievable annual synergies of approximately \$200 million within three years

AdvancePierre's recent growth has outpaced category growth

- Significant growth across all operating segments
 - Foodservice: well-positioned in growing and resilient industry
 - Retail: leading private label provider with significant growth opportunity
 - Convenience: fastest growing segment, with consistent growth since 2012

Strong cultural fit

- Shared goals; sustainable, holistic solutions to food manufacturing and long-term growth
- Provides stability and opportunities for employees, customers, and shareholders

**Represents a non-GAAP financial measure. Pro forma net debt to adjusted EBITDA ratio is explained and reconciled to comparable GAAP measure in the Appendix.*



Complementary Portfolios of Strong Brands





Strong Today and Leading for Tomorrow

NEW BRANDS, NEW CAPABILITIES, NEW GEOGRAPHIES



Natural extension of our supply chain



Consolidated manufacturing footprint



Enhanced distribution channels



Leading foodservice brands with high operator/distributor loyalty



Leading supplier to national and regional convenience stores and vending providers



Reaching a broader cross-section of consumers



Driving Financial Results

CREATES SIGNIFICANT SYNERGIES

- Expected to result in cost synergies of approximately \$200 million to be fully realized within three years
- Cost synergies created by consolidated manufacturing footprint, lower input pricing, and addressing redundant foodservice and retail distribution channels, redundant sales and marketing functions and duplicative corporate overhead
- Revenue synergies expected over time by utilizing Tyson's sales and distribution platform to drive growth across AdvancePierre's leading sandwich/snack brands

ENHANCES BALANCE SHEET

- Expected to be immediately accretive to Tyson's EPS on both a GAAP and a cash basis, excluding one-time costs
- Net debt to adjusted EBITDA ratio initially expected to be 2.7x*; will be reduced steadily by strong cash flow and support investment grade profile

**Represents a non-GAAP financial measure. Pro forma net debt to adjusted EBITDA ratio is explained and reconciled to comparable GAAP measure in the Appendix.*



Tyson and AdvancePierre Combine to Create Long-Term Value

- ✓ Next step in growth strategy and opportunity to refine the shape of our portfolio
- ✓ Financially compelling; expected to be immediately accretive to Tyson EPS based on \$200 million in cost synergies
- ✓ Significant ongoing benefits to Tyson shareholders and both companies' customers and employees
- ✓ Complementary, market-leading products and brands
- ✓ Natural extension of supply chain and sales footprint, including fast-growing convenience distribution channel
- ✓ Contributing to our mission to sustainably feed the world with the fastest growing portfolio of protein-packed brands



Additional Information

AVERAGE WEEKLY PRODUCTION (FISCAL YEAR 2016)



TEAM MEMBERS



MARKET SHARE

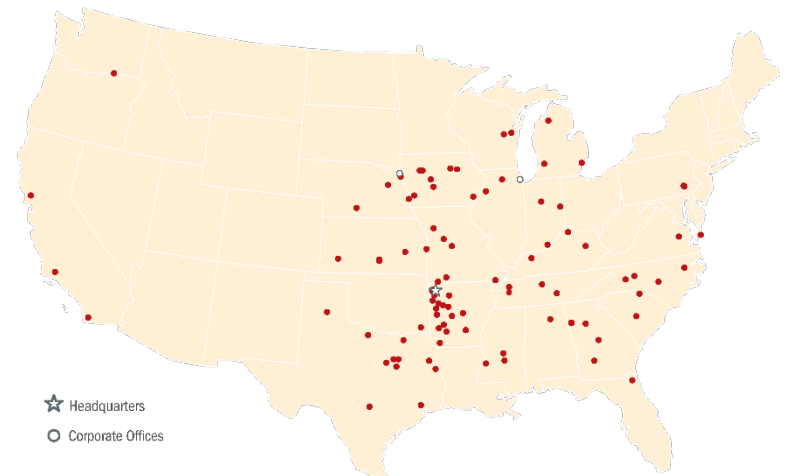
Tyson Foods produces approximately
1 in 5 pounds
of chicken, beef, and pork in the U.S.

NUMBER OF FACILITIES



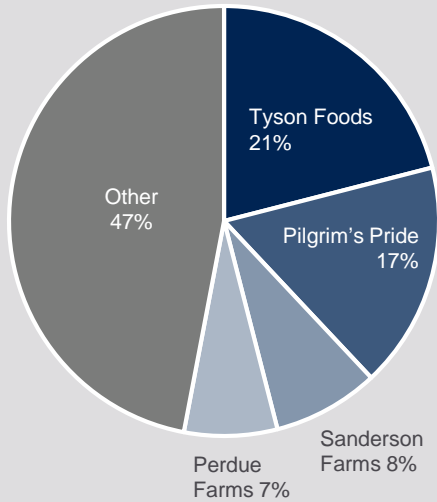
*includes 3 case-ready beef and pork plants

US OPERATIONS LOCATION MAP



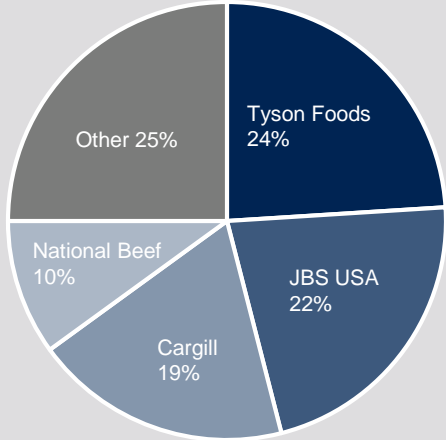


Leading U.S. Protein Producers



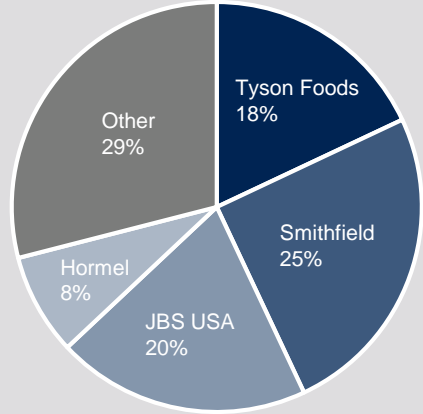
U.S. Chicken Producers

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



U.S. Fed Beef Packers

Source: *Cattle Buyers Weekly*, 2016; based on maximum U.S. slaughter capacity (head per day)

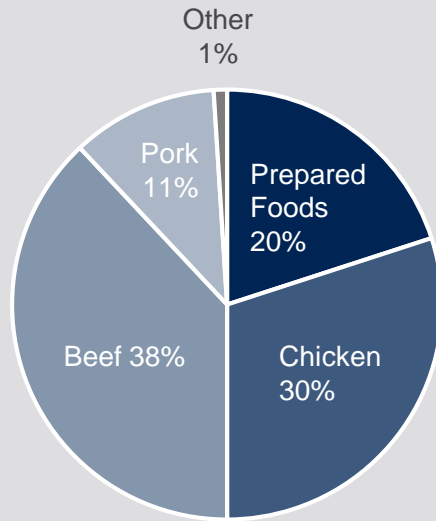


U.S. Pork Packers

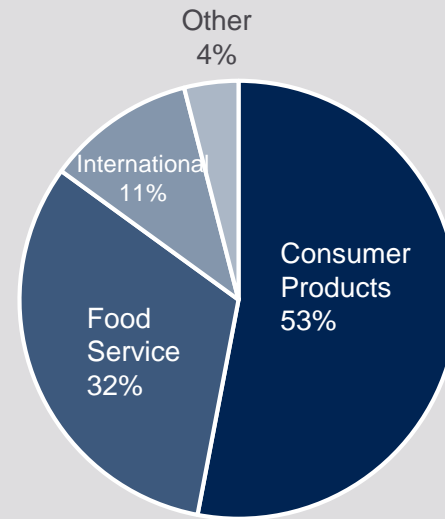
Source: EMI Analytics and *National Hog Farmer*, June 2016, as reported in National Pork Board Quick Facts; based on estimated U.S. slaughter capacity (head per day)



FY16 Sales – \$37 Billion



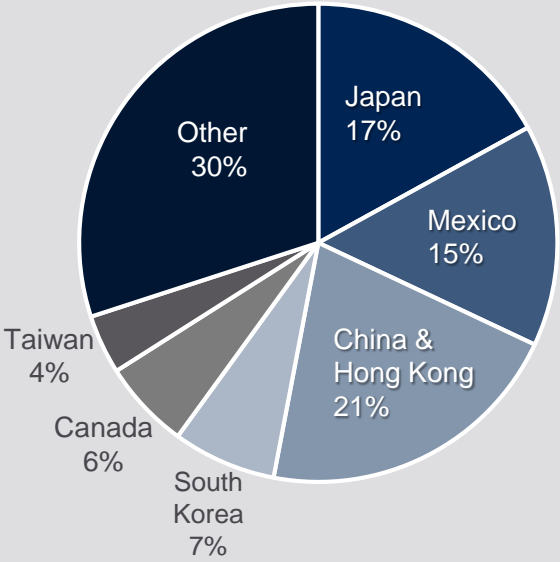
Sales by Segment



Sales by Distribution Channel



FY16 International Sales



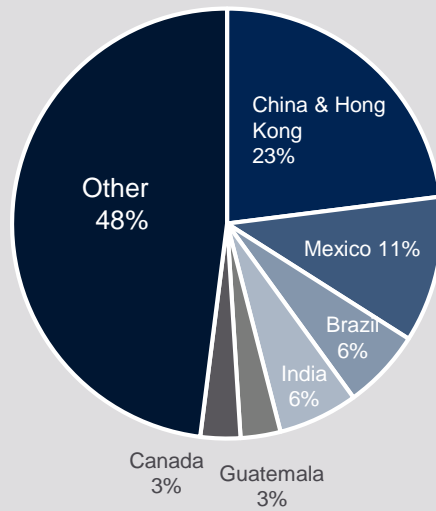
FY16 International Sales

\$4.1 Billion*

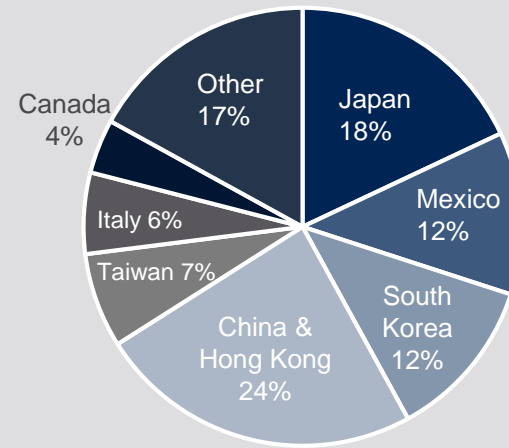
*Includes exports and in-country production



FY16 International Sales



Chicken
\$1.2 Billion*

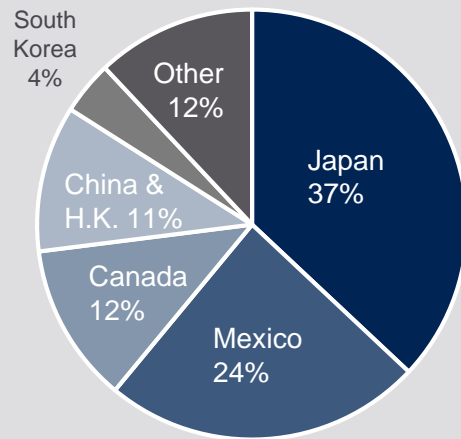


Beef
\$2.0 Billion

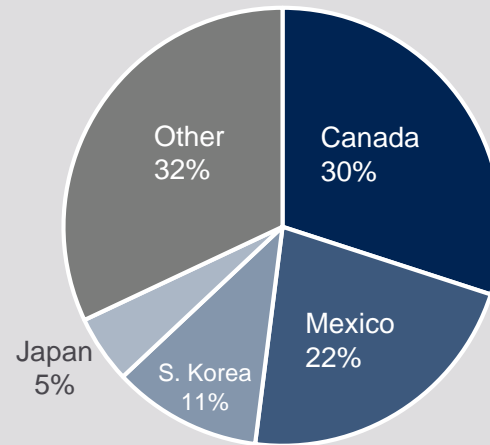
*Includes exports and in-country production



FY16 International Sales



Pork
\$848 million



Prepared Foods
\$87 million



Chicken Segment

**The Road to Higher,
More Stable Margins**



Optimize cost structure



Change pricing structure



Upgrade value-added products



Buy vs. Grow strategy



Deliver high quality products and customer service



HSH Synergies

- FY15 – \$322 million realized
- FY16 – \$580 million realized
- FY17 – expecting approximately \$675 million
- Expect to achieve at least \$700 million in total synergies. Due to the timing of certain projects, some synergies will fall into fiscal 2018.
- Synergy Categories
 - Prepared Foods Improvements
 - Procurement
 - Manufacturing & Logistics
 - Organizational & Fiduciary



Appendix

EPS Reconciliations

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



	Six Months Ended			
	Pre-Tax Impact		EPS Impact	
	2017	2016	2017	2016
Reported net income per share attributable to Tyson			\$ 2.51	\$ 2.25
Add: San Diego Prepared Foods operation impairment	\$ 52	\$ -	0.09	-
Less: Recognition of previously unrecognized tax benefit	\$ -	\$ -	-	(0.03)
Adjusted net income per share attributable to Tyson			<u>\$ 2.60</u>	<u>\$ 2.22</u>

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.

Operating Income Reconciliation

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



	Six Months Ended	
	2017	2016
Reported operating income	\$ 1,553	\$ 1,480
Add: San Diego Prepared Foods operation impairment	52	-
Adjusted operating income	<u>\$ 1,605</u>	<u>\$ 1,480</u>

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



Segment Operating Income and Operating Margin Reconciliations

\$ In millions
(Unaudited)

Adjusted Segment Operating Income (Loss)							
<i>(for six months ended April 1, 2017)</i>							
	Beef	Pork	Chicken	Prepared Foods	Other	Intersegment Sales	Total
Sales	\$ 7,015	\$ 2,554	\$ 5,504	\$ 3,646	\$ 172	\$ (626)	\$ 18,265
Reported operating income (loss)	425	388	496	277	(33)	-	1,553
Add: San Diego Prepared Foods operation impairment	-	-	-	52	-	-	52
Adjusted operating income (loss)	\$ 425	\$ 388	\$ 496	\$ 329	\$ (33)	\$ -	\$ 1,605
Reported operating margin %	6.1%	15.2%	9.0%	7.6%	n/a	n/a	8.5%
Adjusted operating margin %	6.1%	15.2%	9.0%	9.0%	n/a	n/a	8.8%

Adjusted segment operating income and adjusted segment 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 segment operating income and adjusted segment operating margin as internal performance measurements and as two criteria for evaluating our performance relative to that of our peers. We believe adjusted segment operating income and adjusted segment 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 segment operating income and adjusted segment operating margin. Further, we believe that adjusted segment operating income and adjusted segment operating margin are useful measures because they improve comparability of results of operations from period to period. Adjusted segment operating income and Adjusted segment operating margin should not be considered as a substitute for segment operating income, segment 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 segment operating income and adjusted segment operating margin may not be comparable to similarly titled measures reported by other companies.



Sales, Operating Income and Operating Margin Reconciliations

\$ In millions
(Unaudited)

	Fiscal Year	
	2016	2015
Reported Sales	\$ 36,881	\$ 41,373
Less: Impact of additional week (a)	-	(750)
Adjusted sales	\$ 36,881	\$ 40,623
Reported operating income	\$ 2,833	\$ 2,169
Add: China impairment	-	169
Add: Merger and integration costs	-	57
Add: Prepared Foods network optimization impairment 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)
Less: Estimated impact of additional week (b)	-	(44)
Adjusted operating income	\$ 2,833	\$ 2,253
Adjusted operating margin %	7.7%	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.



Segment Operating Income Reconciliations

\$ In millions
(Unaudited)

Adjusted Segment Operating Income (Loss)						
<i>(for 12 months ended October 3, 2015)</i>						
	Beef	Pork	Chicken	Prepared Foods	Other	Total
Reported operating income (loss)	\$ (66)	\$ 380	\$ 1,366	\$ 588	\$ (99)	\$ 2,169
Add: China impairment	-	-	-	-	169	169
Add: Merger and integration costs	-	-	-	10	47	57
Add: Prepared Foods network optimization charges	-	-	-	59	-	59
Add: Denison plant closure	12	-	-	-	-	12
Less: Insurance proceeds (net of costs) related to a legacy Hillshire Brands plant fire	-	-	-	(8)	-	(8)
Less: Gain on sale of the Mexico operation	-	-	-	-	(161)	(161)
Adjusted operating income prior to adjustment for additional week	(54)	380	1,366	649	(44)	2,297
Less: Estimated impact of additional week (a)	1	(7)	(26)	(13)	1	(44)
Adjusted operating income (loss)	\$ (53)	\$ 373	\$ 1,340	\$ 636	\$ (43)	\$ 2,253

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

Combined Tyson Foods & AdvancePierre Proforma Net Debt to Proforma Adjusted EBITDA



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

	<u>12 Months Ended</u> <u>April 1, 2017</u>
Net income	\$ 1,812
Less: Interest income	(6)
Add: Interest expense	232
Add: Income tax expense (benefit)	861
Add: Depreciation	626
Add: Amortization (a)	79
EBITDA	<u>\$ 3,604</u>
Adjustments to EBITDA:	
Add: San Diego Prepared Foods operation impairment	52
Total Adjusted EBITDA	<u>\$ 3,656</u>
Pro forma Adjustments to EBITDA:	
Add: AdvancePierre EBITDA (b)	249
Total pro forma Adjusted EBITDA	<u>\$ 3,905</u>
Total gross debt	\$ 6,448
Less: Cash and cash equivalents	(243)
Less: Short-term investments	(3)
Total net debt	<u>\$ 6,202</u>
Add: AdvancePierre acquisition incremental net debt (c)	4,396
Total pro forma net debt	<u>\$ 10,598</u>
Ratio Calculations:	
Gross debt/EBITDA	1.8
Net debt/EBITDA	1.7
Pro forma net debt/Pro forma Adjusted EBITDA	2.7

(a) Excludes the amortization of debt discount expense of \$8 million for the twelve months ended April 1, 2017, as it is included in interest expense.

(b) Represents AdvancePierre Foods Holdings, Inc. ("AdvancePierre") EBITDA, reported in AdvancePierre's Annual Report on Form 10-K for the year ended December 31, 2016 as filed with the Securities and Exchange Commission.

(c) Represents the planned debt that we expect to enter into in order to finance our pending acquisition of AdvancePierre, net of cash.

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.

Adjusted net income per share attributable to Tyson guidance is provided in this presentation on a non-GAAP basis. The Company is not able to reconcile its full-year fiscal 2017 Adjusted EPS guidance to its full-year fiscal 2017 projected GAAP guidance because certain information necessary to calculate such measure on a GAAP basis is unavailable or dependent on the timing of future events outside of our control. Therefore, because of the uncertainty and variability of the nature of the amount of future adjustments, which could be significant, the Company is unable to provide a reconciliation of this measure without unreasonable effort.