Kellogg Workers UNITED

KELLOGG PUTS PROFITS OVER PEOPLE

Wringing the Company Coffers Dry-Profits Go to the Few; Core Business Ignored

Over the past two decades, Kellogg has become a more productive and more profitable company. But now many are wondering whether Kellogg is squandering those productivity gains. In what has become a worrying trend, Kellogg seems to be repeating a cycle that diverts profits to its largest shareholders and top executives, while initiating unnecessary "efficiency plans" over and over that costs the company billions while closing plants, gutting communities and destroying middle class jobs.

WHAT DOES KELLOGG DO WITH ITS PROFITS?

Executive Compensation

- Kellogg executives enjoy some of the highest salaries in the food industry. Kellogg CEO John Bryant brought home a tidy $6.6 million dollars in 2012. Over the past six years, Kellogg has paid out an astounding **$55 million to compensate its CEO**. This does not account for the millions per year that other executives receive.

Share Buybacks

- Companies decide to buy back outstanding shares in order to increase the value in existing shares. Normally this benefits the large institutional shareholders who hold millions of shares. In May 2013, Kellogg announced a new buyback program, one that will cost the company $1 billion. This follows a 2010 buyback program that cost Kellogg $2.5 billion. That's **$3.5 billion** in three years.

Dividend Payouts

- Kellogg, whose quarterly **dividend payments have risen 82%** since 2005, gives out one of the most generous dividend payouts in the food industry. The chief beneficiary of these payouts are the large institutional shareholders-banks and investment firms-that hold millions of shares.

Restructuring Programs

- Restructuring programs cost money to implement. Kellogg's new "Project K" efficiency program will cost the company **$1 billion** to implement. This follows the excessive costs associated with the Company's 2009 efficiency program "K-Lean".

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KELLOGG'S DESTRUCTIVE CYCLE THREATENS LONG-TERM PROSPERITY

Simply put, Kellogg makes a ton of money, gives it to large shareholders and top executives, initiates efficiency programs that cost the company billions, and then not only blames its workforce for costing too much but then asks them and their communities to subsidize and pay for their greed.

The result is closed plants, loss of a skilled workforce, the destruction of middle-class jobs, and devastated communities.

Kellogg likes to preach to the world what a great employer it is, how it cares about the community and how it cares about people.

Sadly, its actions suggest otherwise. Ask the locked out workers in Memphis. Or the workers in London, Ontario or Australia who, two weeks before Christmas, were rudely informed their plants were closing.

Corporate plans that squander core business resources and redistribute corporate value to a select few leaves a company vulnerable in the marketplace. It's a shame that Kellogg CEO John Bryant, his high-paid executives and complicit Board of Directors, have put a renowned company like Kellogg into such a cycle of destruction.