Gary H. Pilnick
Senior Vice President
General Counsel & Secretary

July 14, 2004

Eliot Spitzer
Attorney General
of the State of New York
120 Broadway
New York, NY 10003

Dear Mr. Spitzer:

Your Office has expressed concerns regarding the mercury button-cell batteries contained in the signal toy that is included in some of Kellogg's products as part of the company's current promotional campaign. The toy meets or exceeds all relevant federal and New York standards and in no way affects the safety or quality of our food products. In addition, these batteries are very common throughout the United States. They are used in toys, watches, medical devices and many other products commonly found in most households. Nevertheless, we understand the concerns that were raised and we are prepared to take steps beyond what is required by law to meet the high standards that consumers have come to expect from Kellogg. We therefore are pleased to commit to the following steps:

1. Kellogg will provide a national toll-free number, as well as establish a page on its website, to assist consumers with questions about the free Spidey-2 signal toy that is included in some of its products.

2. The toll-free number and website page will be established no later than July 20 and continue through at least September 30, 2004. They will prominently note the importance of disposing of mercury batteries in a lawful, environmentally appropriate manner. Kellogg will note the existence of programs in many localities that provide for the drop-off or pick-up of household materials such as batteries, paints or other items that present environmental concerns. Kellogg will not offer legal or specific advice, but refer consumers to their state or local environmental agency for advice. In addition, through the toll-free number and website, Kellogg will offer consumers the means to send the toy to Kellogg in a postage prepaid mailer supplied by the company. Kellogg will provide the same information and means of collection to consumers who inquire about the disposal of other Kellogg-supplied toys that may also contain a mercury button-cell battery.

3. Kellogg will encourage its customers that account for over 70% of its national cereal sales to include on their company websites a notice of Kellogg's offer to collect the toy and/or a link to the Kellogg website for that purpose. Kellogg also will request these customers to post a similar notice on their in-store bulletin boards.

4. In connection with the toys it collects, Kellogg will use the services of an authorized mercury recycler in accordance with all applicable state and federal laws.

5. Kellogg will not ship any mercury batteries in connection with any of its promotions throughout the United States after September 30, 2004.

Kellogg is very pleased to take these steps. They demonstrate our continuing commitment to responsible environmental protection. We appreciate the opportunity to work with you and your Office on this initiative.

Sincerely,

Gary H. Pilnick