Solution:

(1)

The free cash flow is given by:

$$Free\ Cash\ Flow\ (2009) = \$1{,}643 - \$377 - \$546 = \$720\ million$$

$$Free\ Cash\ Flow\ (2010) = \$1{,}008 - \$474 - \$584 = \$(50)\ million$$

$$Free\ Cash\ Flow\ (2011) = \$1{,}595 - \$594 - \$604 = \$397\ million$$

(2)

In 2009 & 2011, Kellogg had a positive free cash flow, meaning that their finances were doing well. However, in 2010, there was a sharp dip in the operating cash flow, which led to a negative cash flow, indicating that Kellogg maintained its stance of providing dividends and continued investing strategies.