THE KRAFT HEINZ COMPANY

Q4 2016 and Full Year Update

February 15, 2017

Safe Harbor Statement

This webcast presentation contains a number of forward-looking statements. Words such as “build,” “momentum,” “gain,” “drive,” “achieve,” “invest,” “reduce,” “maintain,” “grow,” “execute,” “enable,” “continue,” “opportunity,” “will,” and variations of such words and similar expressions are intended to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements regarding Kraft Heinz’s plans, integration, savings, investments, execution, growth, leverage, innovation, credit rating, brands and efficiencies. These forward-looking statements are not guarantees of future performance and are subject to a number of risks and uncertainties, many of which are difficult to predict and beyond Kraft Heinz’s control. Important factors that affect Kraft Heinz’s business and operations and that may cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, increased competition; Kraft Heinz’s ability to maintain, extend and expand its reputation and brand image; Kraft Heinz’s ability to differentiate its products from other brands; the consolidation of retail customers; Kraft Heinz’s ability to predict, identify and interpret changes in consumer preferences and demand; Kraft Heinz’s ability to drive revenue growth in its key product categories, increase its market share, or add products; an impairment of the carrying value of goodwill or other indefinite-lived intangible assets; volatility in commodity, energy and other input costs; changes in Kraft Heinz’s management team or other key personnel; Kraft Heinz’s inability to realize the anticipated benefits from its cost savings initiatives; changes in relationships with significant customers and suppliers; execution of Kraft Heinz’s international expansion strategy; changes in laws and regulations; legal claims or other regulatory enforcement actions; product recalls or product liability claims; unanticipated business disruptions; failure to successfully integrate the business and operations of Kraft Heinz in the expected time frame; Kraft Heinz’s ability to complete or realize the benefits from potential and completed acquisitions, alliances, divestitures or joint ventures; economic and political conditions in the nations in which Kraft Heinz operates; the volatility of capital markets; increased pension, labor and people-related expenses; volatility in the market value of all or a portion of the derivatives Kraft Heinz uses; exchange rate fluctuations; disruptions in information technology networks and systems; Kraft Heinz’s inability to protect intellectual property rights; impacts of natural events in the locations in which Kraft Heinz or its customers, suppliers or regulators operate; Kraft Heinz’s indebtedness and ability to pay such indebtedness; tax law changes or interpretations; and other factors. For additional information on these and other factors that could affect Kraft Heinz’s forward-looking statements, see Kraft Heinz’s risk factors, as they may be amended from time to time, set forth in its filings with the Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K. Kraft Heinz disclaims and does not undertake any obligation to update or revise any forward-looking statement in this presentation, except as required by applicable law or regulation.

Non-GAAP Measures

This webcast presentation also includes non-GAAP financial measures, including Organic Net Sales, Adjusted EBITDA and Adjusted EPS. These non-GAAP financial measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the Appendix to this presentation.

2016 Review

Kraft Heinz

Profitable Sales Growth

- Built positive momentum throughout year
- Gained from Big Bet innovation, whitespace
- Benefitted from go-to-market investments

Best in Class Margins

- Drove sustainable improvement from ZBB, MBOs
- Achieved $1.2bn cumulative savings since inception of Integration Program
- Invested heavily in people, capabilities

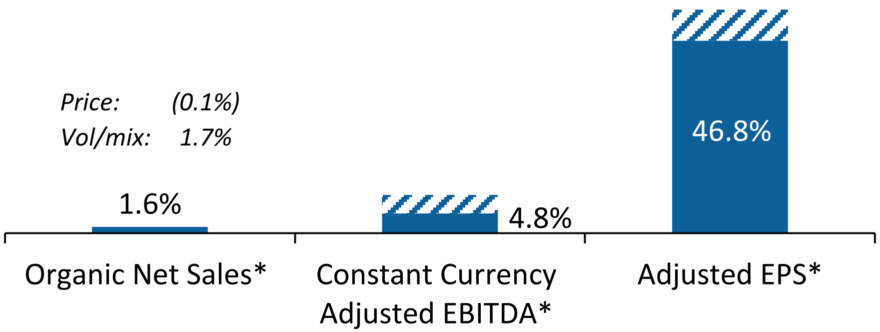
Superior Return of Capital with Strong Balance Sheet

- Reduced leverage(1) significantly
- Maintained strong dividend payout

(1) Leverage ratio defined as Net Debt divided by latest twelve months Adjusted EBITDA.

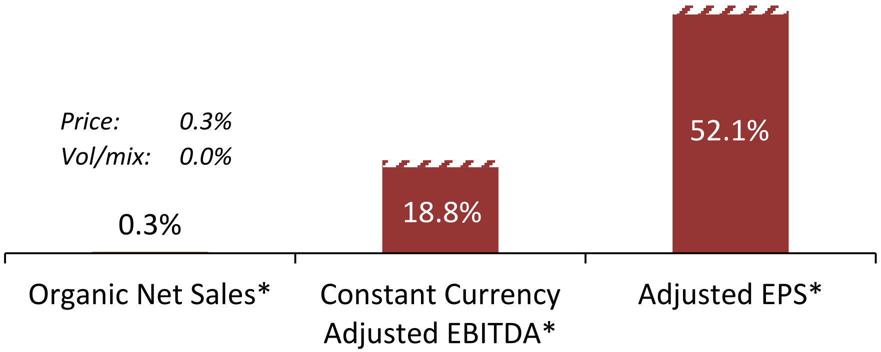
Q4 and Full Year Financial Summary

Q4 2016 vs. Q4 2015 Growth



Impact of Extra Week	*~(4.5)%*	*~(7.5)%*
Growth Ex. Extra Week	*+9.3%*	*+54.3%*

FY 2016 vs. FY 2015 Growth



Impact of Extra Week	*~(1.5)%*	*~(2.0)%*
Growth Ex. Extra Week	*+20.3%*	*+54.1%*

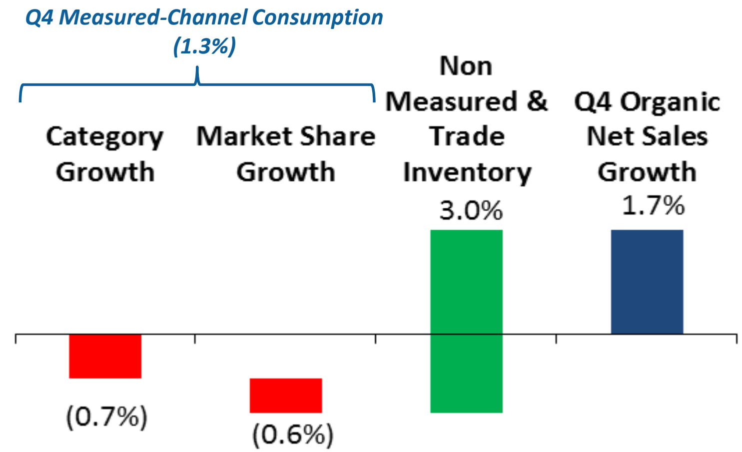
- Sequentially better organic net sales growth driven by vol/mix improvement in all segments
- Solid price realization in most segments during year, partially offset by trade investments to jumpstart UK business
- Full year Constant Currency Adjusted EBITDA growth driven by cost savings initiatives[1], favorable net pricing and growth in Rest of World markets
  - Gains partially offset by Q4 investments in growth initiatives
- Adjusted EPS growth primarily driven by Adjusted EBITDA gains, refinancing of Preferred Stock and discrete tax favorability

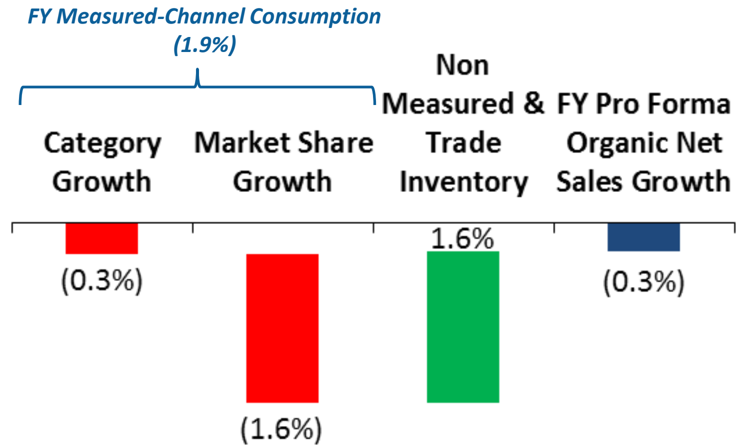
**Non-GAAP financial measure. See Non-GAAP Financial Measures at the end of this presentation.*

(1) Cost savings initiatives include the Company's integration, restructuring and ongoing productivity efforts.

U.S. Update

- **Improved measured-channel performance driven by Big Bets, better retail execution**
  - Strong consumption improvements in frozen meals, coffee, sandwich cheese
  - Exited year with short list of share challenges
- **Q4 growth benefit from trade inventory shifts**
  - Non-measured whitespace gains gave way to weak foodservice consumption and traffic
  - Comparisons to 4Q15 a key contributor
  - Expect 1Q17 shipments ~0.5pp < consumption

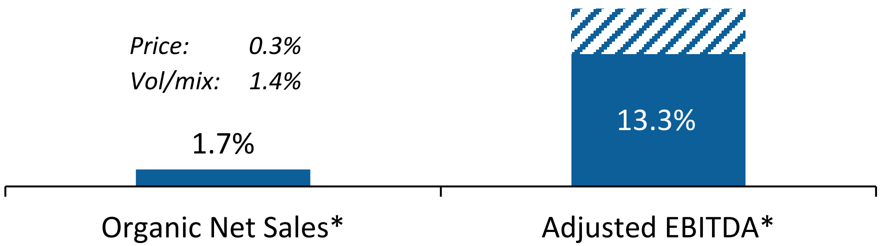




- **2017 agenda focused on profitable growth, improving challenged categories**
  - Leverage scale for increased in-store activity, better execution
  - Footprint a key enabler to increased investments in innovation, renovation

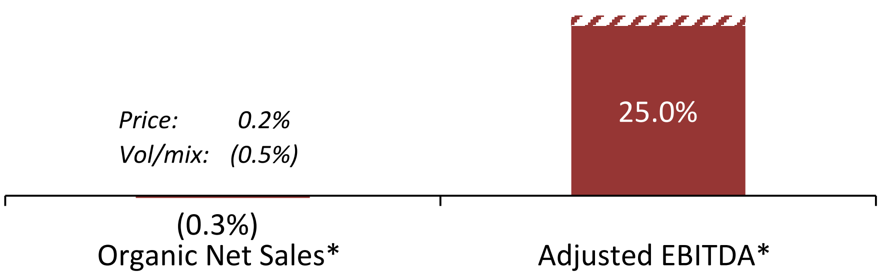
United States: Q4 and Full Year Results

Q4 2016 vs. Q4 2015 Growth



Impact of Extra Week	*~(4.5)%*
Growth Ex. Extra Week	*+17.8%*

FY 2016 vs. FY 2015 Growth



Impact of Extra Week	*~(1.5)%*
Growth Ex. Extra Week	*+26.5%*

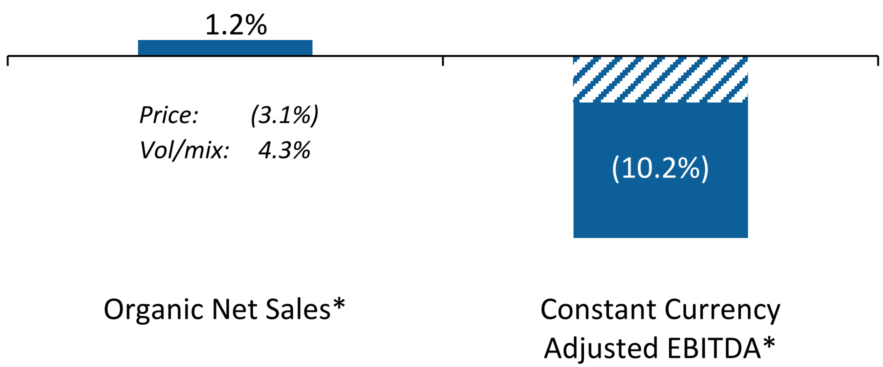
- Pricing higher despite intensified deflation in key commodities(1) as year progressed
- Vol/mix improvement driven by innovation, renovation and better retail execution
  - Shipment timing also a benefit to Q4
- Strong Adjusted EBITDA growth driven by cost savings initiatives and favorable net pricing
  - Q4 growth held back by lapping prior year cost savings and timing of overhead expenses versus prior year

**Non-GAAP financial measure. See Non-GAAP Financial Measures at the end of this presentation.*

(1) The Company's key commodities in the United States and Canada are dairy, meat, coffee and nuts.

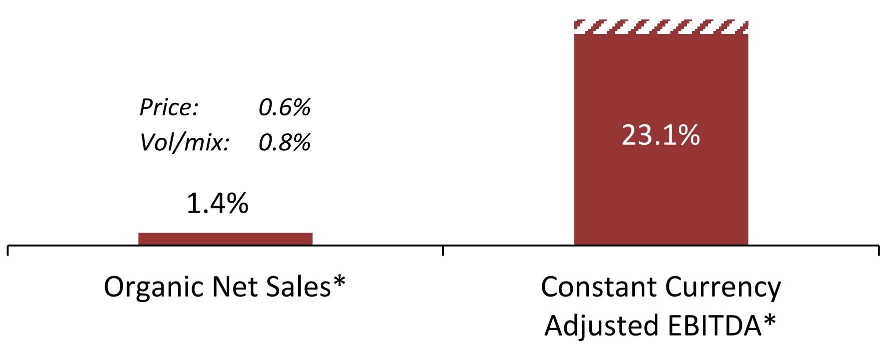
Canada: Q4 and Full Year Results

Q4 2016 vs. Q4 2015 Growth



Impact of Extra Week	*~(3.5)%*
Growth Ex. Extra Week	*(6.7%)*

FY 2016 vs. FY 2015 Growth



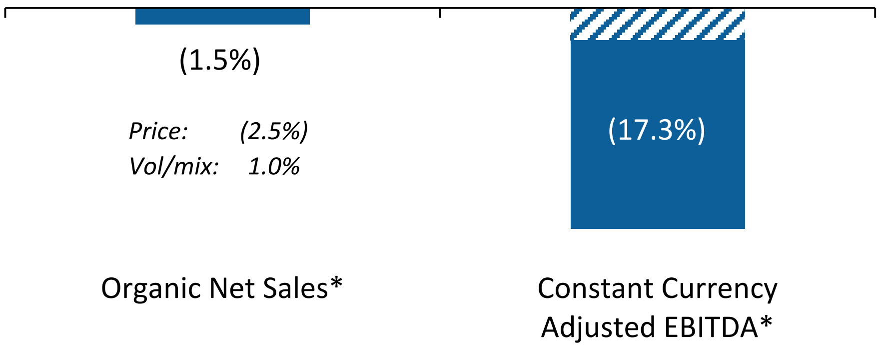
Impact of Extra Week	*~(1.5)%*
Growth Ex. Extra Week	*+24.6%*

- Pricing trailed input cost fluctuations in local currency throughout year
- Vol/mix growth primarily reflected solid gains in condiments and sauces as well as foodservice
- Full year Constant Currency Adjusted EBITDA and margin representative of current business health
  - Q4 negatively impacted by timing of promotional activities versus prior year and unfavorable input costs

**Non-GAAP financial measure. See Non-GAAP Financial Measures at the end of this presentation.*

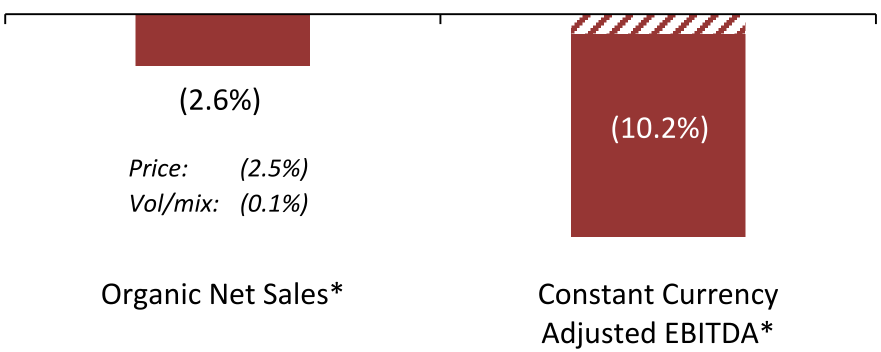
Europe: Q4 and Full Year Results

Q4 2016 vs. Q4 2015 Growth



Impact of Extra Week	*~(3.0)%*
Growth Ex. Extra Week	*(14.3%)*

FY 2016 vs. FY 2015 Growth



Impact of Extra Week	*~(1.0)%*
Growth Ex. Extra Week	*(9.2%)*

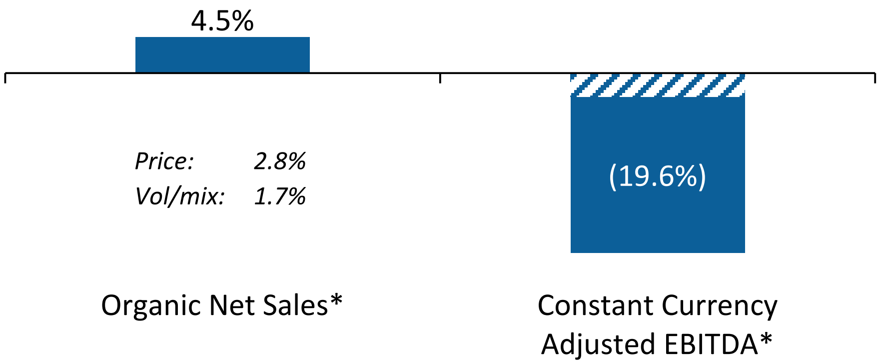
- Strong, unfavorable currency translation a factor all year; likely to continue
- Net pricing primarily reflected trade investments to jumpstart UK business in a difficult retail environment
- Vol/mix trends reflect Big Bet investment gains and improving share trends across most countries, including UK
  - Q4 saw improving consumption and market share trends across most countries, including UK
- Constant Currency Adjusted EBITDA decline reflected combination of lower organic sales and marketing
  - Q4 negatively impacted by timing of overhead costs

**Non-GAAP financial measure. See Non-GAAP Financial Measures at the end of this presentation.*

Rest of World: Q4 and Full Year Results

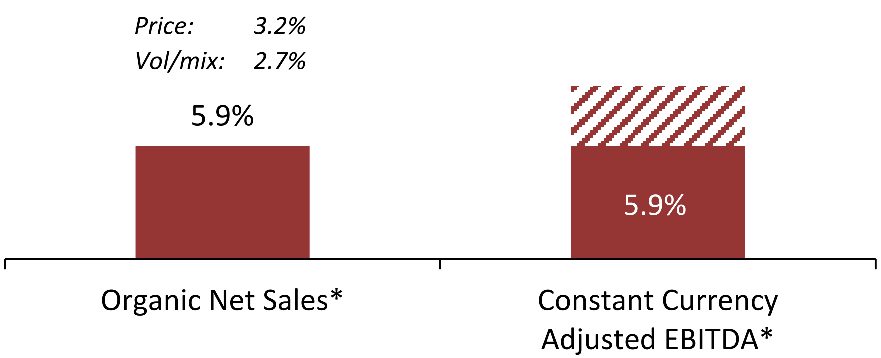
KraftHeinz

Q4 2016 vs. Q4 2015 Growth



Impact of Extra Week	*~(3.0)%*
Growth Ex. Extra Week	*(16.6%)*

FY 2016 vs. FY 2015 Growth



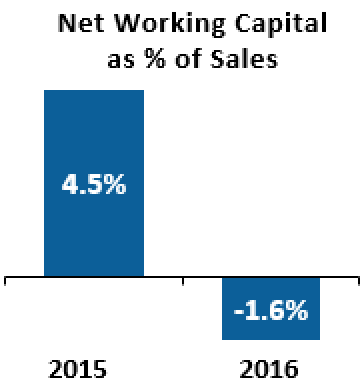
Impact of Extra Week	*~(1.0)%*
Growth Ex. Extra Week	*+6.9%*

- Favorable net pricing driven by input cost-related price increases, primarily in Latin America
- Vol/mix growth driven by strong years in China, Australia, Japan, Latin America
  - Indonesia soy sauces, economic conditions in India and Middle East remain challenges
- Constant Currency Adjusted EBITDA performance reflected organic sales growth and accelerating investments in marketing, whitespace initiatives
  - Q4 EBITDA growth negatively impacted by strong prior year comparisons and heavy investment behind whitespace initiatives

**Non-GAAP financial measure. See Non-GAAP Financial Measures at the end of this presentation.*

Strengthening Capital Structure

- **Focus on cash paying off**
  - Generated ~$1bn from net working capital(1) while supporting footprint activity with safety stock
  - Preferred redemption saving ~$550mm per annum



- **Confident in further deleveraging towards < 3x goal**
  - Significant leverage reduction since close of merger
  - Continue to expect $2 billion of debt paydown by July 2017
  - No common stock repurchase program until at least July 2017

- **Setting clear priorities for free cash flow beyond deleveraging**
  1) Maintain an investment grade credit rating
  2) Fund a highly competitive dividend
  3) Deploy excess cash against opportunities based on risk-adjusted returns

(1) Net Working Capital defined as change in Trade Receivables, Sold Receivables and Inventories less the change Trade Payables.

2017 Agenda

- **Sharper focus on profitable organic sales growth**
  - Focused investments and fewer, bolder bets
  - Whitespace gains behind 3 brands, 5 platforms with global potential
  - Fueled by significant step-up in marketing, go-to-market capabilities and product quality
- **Best-in-class operating efficiency with top quality**
  - Targeting $1.7bn cumulative Integration Program savings by end of 2017, net of inflation and business investments in North America
- **Strong EPS growth driven by EBITDA gains, Preferred refinancing**
  - EBITDA gains primarily driven by Integration savings, ROW growth
  - Q1 Organic Net Sales, EBITDA to be negatively impacted by Easter shift, pace of Integration savings, up-front investments, commodity headwinds

Appendix

KraftHeinz

Non-GAAP Financial Measures

To supplement the financial information, the Company has presented Organic Net Sales, Adjusted EBITDA, and Adjusted EPS, which are considered non-GAAP financial measures. The non-GAAP financial measures provided should be viewed in addition to, and not as an alternative for, financial measures prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") that are presented in this press release. The non-GAAP financial measures presented may differ from similarly titled non-GAAP financial measures presented by other companies, and other companies may not define these non-GAAP financial measures in the same way. These measures are not substitutes for their comparable GAAP financial measures, such as net sales, net income/(loss), diluted earnings per share, or other measures prescribed by GAAP, and there are limitations to using non-GAAP financial measures.

Management uses these non-GAAP financial measures to assist in comparing the Company's performance on a consistent basis for purposes of business decision making by removing the impact of certain items that management believes do not directly reflect the Company's underlying operations. Management believes that presenting the Company's non-GAAP financial measures is useful to investors because it (i) provides investors with meaningful supplemental information regarding financial performance by excluding certain items, (ii) permits investors to view performance using the same tools that management uses to budget, make operating and strategic decisions, and evaluate historical performance, and (iii) otherwise provides supplemental information that may be useful to investors in evaluating the Company's results. The Company believes that the presentation of these non-GAAP financial measures, when considered together with the corresponding GAAP financial measures and the reconciliations to those measures, provides investors with additional understanding of the factors and trends affecting the Company's business than could be obtained absent these disclosures.

Organic Net Sales is defined as net sales excluding, when they occur, the impact of acquisitions, currency, divestitures and a 53rd week of shipments. The Company calculates the impact of currency on net sales by holding exchange rates constant at the previous year's exchange rate, with the exception of Venezuela following the Company's June 28, 2015 currency devaluation, for which the Company calculates the previous year's results using the current year's exchange rate. Organic Net Sales for any period prior to the 2015 Merger Date includes the operating results of Kraft on a pro forma basis, as if Kraft had been acquired as of Dec. 30, 2013. Organic Net Sales is a tool that can assist management and investors in comparing the Company's performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect the Company's underlying operations.

Appendix

Kraft Heinz

Non-GAAP Financial Measures

Adjusted EBITDA is defined as net income/(loss) from continuing operations before interest expense, other expense/(income), net, provision for/(benefit from) income taxes; in addition to these adjustments, the Company excludes, when they occur, the impacts of depreciation and amortization (excluding integration and restructuring expenses) (including amortization of postretirement benefit plans prior service credits), integration and restructuring expenses, merger costs, unrealized losses/(gains) on commodity hedges, impairment losses, losses/(gains) on the sale of a business, nonmonetary currency devaluation (e.g., remeasurement gains and losses), and equity award compensation expense (excluding integration and restructuring expenses). Adjusted EBITDA for any period prior to the 2015 Merger Date includes the operating results of Kraft on a pro forma basis, as if Kraft had been acquired as of Dec. 30, 2013. The Company also presents Adjusted EBITDA on a constant currency basis. The Company calculates the impact of currency on Adjusted EBITDA by holding exchange rates constant at the previous year's exchange rate, with the exception of Venezuela following the Company's June 28, 2015 devaluation of the Venezuelan bolivar and remeasurement of assets and liabilities of its Venezuelan subsidiary, for which it calculates the previous year's results using the current year's exchange rate. Adjusted EBITDA is a tool that can assist management and investors in comparing the Company's performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect the Company's underlying operations.

Adjusted EPS is defined as diluted earnings per share excluding, when they occur, the impacts of integration and restructuring expenses, merger costs, unrealized losses/(gains) on commodity hedges, impairment losses, losses/(gains) on the sale of a business, and nonmonetary currency devaluation (e.g., remeasurement gains and losses), and including when they occur, adjustments to reflect preferred stock dividend payments on an accrual basis. Adjusted EPS for any period prior to the 2015 Merger Date includes the operating results of Kraft on a pro forma basis, as if Kraft had been acquired as of Dec. 30, 2013. The Company believes Adjusted EPS provides important comparability of underlying operating results, allowing investors and management to assess operating performance on a consistent basis.

See the attached schedules for supplemental financial data, which includes the financial information, the non-GAAP financial measures and corresponding reconciliations for the relevant periods.

Appendix

Kraft Heinz

Schedule 1

The Kraft Heinz Company
Consolidated Statements of Income
(in millions, except per share data)
(Unaudited)

	For the Quarter Ended		For the Year Ended	
	December 31, 2016 (13 weeks)	January 3, 2016 (14 weeks)	December 31, 2016 (52 weeks)	January 3, 2016 (53 weeks)
Net sales	$ 6,857	$ 7,124	$ 26,487	$ 18,338
Cost of products sold	4,398	4,720	16,901	12,577
Gross profit	2,459	2,404	9,586	5,761
Selling, general and administrative expenses	879	1,117	3,444	3,122
Operating income	1,580	1,287	6,142	2,639
Interest expense	310	266	1,134	1,321
Other expense/(income), net	(10)	(9)	(15)	305
Income/(loss) before income taxes	1,280	1,030	5,023	1,013
Provision for/(benefit from) income taxes	336	382	1,381	366
Net income/(loss)	944	648	3,642	647
Net income/(loss) attributable to noncontrolling interest	—	3	10	13
Net income/(loss) attributable to Kraft Heinz	944	645	3,632	634
Preferred dividends[(a)]	—	360	180	900
Net income/(loss) attributable to common shareholders	$ 944	$ 285	$ 3,452	$ (266)
Basic shares outstanding	1,217	1,214	1,217	786
Diluted shares outstanding	1,226	1,225	1,226	786
Per share data applicable to common shareholders:				
Basic earnings/(loss) per share	$ 0.78	$ 0.23	$ 2.84	$ (0.34)
Diluted earnings/(loss) per share	0.77	0.23	2.81	(0.34)

*The consolidated statements of income for the year ended Jan. 3, 2016 reflect the results for Heinz and the results of Kraft Heinz for the period after the 2015 Merger occurred on July 2, 2015.

(a) Cash distributions for Series A Preferred Stock totaled $360 million and $900 million for the quarter and year ended Jan. 3, 2016, respectively. This reflected one additional dividend payment versus the prior year made during the fourth quarter due to the fact that, in connection with the Dec. 8, 2015 Common Stock dividend declaration, the Company was required to accelerate payment of the Series A Preferred Stock dividend from March 7, 2016 to Dec. 8, 2015.

Appendix

Schedule 2

The Kraft Heinz Company
Pro Forma Condensed Combined Statements of Income
(in millions, except per share data)
(Unaudited)

	For the Year Ended January 3, 2016 (53 weeks)
Net sales	$ 27,447
Cost of products sold[a]	18,299
Gross profit	9,148
Selling, general and administrative expenses[b]	4,613
Operating income	4,535
Interest expense	1,528
Other expense/(income), net	289
Income/(loss) before income taxes	2,718
Provision for/(benefit from) income taxes	944
Net income/(loss)	1,774
Net income/(loss) attributable to noncontrolling interest	13
Net income/(loss) attributable to Kraft Heinz	1,761
Preferred dividends[c]	900
Net income/(loss) attributable to common shareholders	$ 861
Basic common shares outstanding	1,202
Diluted common shares outstanding	1,222
Per share data applicable to common shareholders:	
Basic earnings per share	$ 0.72
Diluted earnings per share	0.70

Note: There are no pro forma adjustments in 2016 as Kraft and Heinz were a combined company for the entire period. Refer to Schedule 10 for additional information on the pro forma adjustments for 2015.

[a] Integration and restructuring expenses in cost of products sold were $479 million in the full year 2015 ($322 million after-tax).

[b] Integration and restructuring expenses in selling, general and administrative expenses were $638 million in the full year 2015 ($428 million after-tax).

[c] Cash distributions for Series A Preferred Stock totaled $360 million and $900 million for the quarter and year ended Jan. 3, 2016, respectively. This reflected one additional dividend payment versus the prior year made during the fourth quarter due to the fact that, in connection with the Dec. 8, 2015 Common Stock dividend declaration, the Company was required to accelerate payment of the Series A Preferred Stock dividend from March 7, 2016 to Dec. 8, 2015.

Appendix

Schedule 3

The Kraft Heinz Company
Reconciliation of Net Sales to Organic Net Sales
For the Quarter Ended
(dollars in millions)
(Unaudited)

	Net Sales	Impact of Currency	Impact of Divestitures	Impact of 53rd Week	Organic Net Sales	Price	Volume/Mix
December 31, 2016 (13 weeks)							
United States	$ 4,839	$ —	$ —	$ —	$ 4,839		
Canada	617	5	—	—	612		
Europe	600	(56)	—	—	656		
Rest of World	801	4	—	—	797		
	$ 6,857	$ (47)	$ —	$ —	$ 6,904		
January 3, 2016 (14 weeks)							
United States[a]	$ 4,993	$ —	$ —	$ 233	$ 4,760		
Canada	632	—	—	27	605		
Europe[a,b]	692	—	(1)	27	666		
Rest of World[a,b]	807	5	—	39	763		
	$ 7,124	$ 5	$ (1)	$ 326	$ 6,794		
Year-over-year growth rates							
United States[a]	(3.1)%	0.0 pp	0.0 pp	(4.8) pp	1.7 %	0.3 pp	1.4 pp
Canada	(2.4)%	0.8 pp	0.0 pp	(4.4) pp	1.2 %	(3.1) pp	4.3 pp
Europe[a,b]	(13.3)%	(8.1) pp	0.1 pp	(3.8) pp	(1.5)%	(2.5) pp	1.0 pp
Rest of World[a,b]	(0.7)%	(0.1) pp	0.0 pp	(5.1) pp	4.5 %	2.8 pp	1.7 pp
Kraft Heinz	(3.7)%	(0.7) pp	0.0 pp	(4.6) pp	1.6 %	(0.1) pp	1.7 pp

[a] In the first quarter of 2016, the Company moved certain of the historical Kraft export businesses from the Company's United States segment to its Rest of World and Europe segments to align with its long-term go-to-market strategies. This change resulted in the reclassification of net sales from the United States segment to the Rest of World segment of $89 million for the fourth quarter ended Jan. 3, 2016.

[b] In the fourth quarter of 2016, the Company reorganized its segments to reflect a change in the Company's organizational structure. As a result, the Russia business within the historical RIMEA operating segment moved to the Europe reportable segment. The remaining businesses within RIMEA joined the historical Asia Pacific operating segment to form the AMEA operating segment. This change resulted in the reclassification of net sales from the Rest of World segment to the Europe segment of $52 million for the fourth quarter ended Jan. 3, 2016.

Appendix

Kraft Heinz

Schedule 4

The Kraft Heinz Company
Reconciliation of Pro Forma Net Sales to Organic Net Sales
For the Year Ended
(dollars in millions)
(Unaudited)

	Pro Forma Net Sales[a]	Impact of Currency	Impact of Divestitures	Impact of 53rd Week	Organic Net Sales	Price	Volume/Mix
December 31, 2016 (52 weeks)							
United States	$ 18,641	$ —	$ —	$ —	$ 18,641		
Canada	2,309	(84)	—	—	2,393		
Europe	2,366	(154)	—	—	2,520		
Rest of World	3,171	(92)	—	—	3,263		
	$ 26,487	$ (330)	$ —	$ —	$ 26,817		
January 3, 2016 (53 weeks)							
United States[b]	$ 18,932	$ —	$ —	$ 233	$ 18,699		
Canada	2,386	—	—	27	2,359		
Europe[b,c]	2,657	—	42	27	2,588		
Rest of World[b,c]	3,472	351	—	39	3,082		
	$ 27,447	$ 351	$ 42	$ 326	$ 26,728		
Year-over-year growth rates							
United States[b]	(1.5)%	0.0 pp	0.0 pp	(1.2) pp	(0.3)%	0.2 pp	(0.5) pp
Canada	(3.2)%	(3.5) pp	0.0 pp	(1.1) pp	1.4 %	0.6 pp	0.8 pp
Europe[b,c]	(11.0)%	(5.8) pp	(1.6) pp	(1.0) pp	(2.6)%	(2.5) pp	(0.1) pp
Rest of World[b,c]	(8.7)%	(13.2) pp	0.0 pp	(1.4) pp	5.9 %	3.2 pp	2.7 pp
Kraft Heinz	(3.5)%	(2.5) pp	(0.1) pp	(1.2) pp	0.3 %	0.3 pp	0.0 pp

[a] There are no pro forma adjustments in 2016 as Kraft and Heinz were a combined company for the entire period.

[b] In the first quarter of 2016, the Company moved certain of the historical Kraft export businesses from the Company's United States segment to its Rest of World and Europe segments to align with its long-term go-to-market strategies. This change resulted in the reclassification of $352 million of pro forma net sales from the United States segment to the Rest of World segment ($350 million) and Europe segment ($2 million) for the year ended Jan. 3, 2016.

[c] In the fourth quarter of 2016, the Company reorganized its segments to reflect a change in the Company's organizational structure. As a result, the Russia business within the historical RIMEA operating segment moved to the Europe reportable segment. The remaining businesses within RIMEA joined the historical Asia Pacific operating segment to form the AMEA operating segment. This change resulted in the reclassification of pro forma net sales from the Rest of World segment to the Europe segment $170 million for the year ended Jan. 3, 2016.

Appendix

Schedule 5

The Kraft Heinz Company
Reconciliation of Pro Forma Net Income/(Loss) to Adjusted EBITDA
(in millions)
(Unaudited)

	For the Quarter Ended				For the Year Ended			
	December 31, 2016 (13 weeks)		January 3, 2016 (14 weeks)		December 31, 2016 (52 weeks)		January 3, 2016 (53 weeks)	
Pro forma net income/(loss)[a]	$	944	$	648	$	3,642	$	1,774
Interest expense		310		266		1,134		1,528
Other expense/(income), net		(10)		(9)		(15)		289
Provision for/(benefit from) income taxes		336		382		1,381		944
Operating income		1,580		1,287		6,142		4,535
Depreciation and amortization (excluding integration and restructuring expenses)		135		160		536		779
Integration and restructuring expenses		231		436		1,012		1,117
Merger costs		(3)		1		30		194
Unrealized losses/(gains) on commodity hedges		(15)		(18)		(38)		(41)
Impairment losses		—		—		53		58
Losses/(gains) on sale of business		—		—		—		(21)
Nonmonetary currency devaluation		—		8		4		57
Equity award compensation expense (excluding integration and restructuring expenses)		9		1		39		61
Adjusted EBITDA	$	1,937	$	1,875	$	7,778	$	6,739
Segment Adjusted EBITDA:								
United States[b]	$	1,502	$	1,326	$	5,862	$	4,690
Canada		151		167		642		541
Europe[b,c,d]		189		260		781		938
Rest of World[b,c]		144		182		657		742
General corporate expenses[d]		(49)		(60)		(164)		(172)
Adjusted EBITDA	$	1,937	$	1,875	$	7,778	$	6,739

[a] There are no pro forma adjustments in 2016 as Kraft and Heinz were a combined company for the entire period.

[b] In the first quarter of 2016, the Company moved certain historical Kraft export businesses from the Company's United States segment to its Rest of World and Europe segments to align with its long-term go-to-market strategies. For the fourth quarter ended Jan. 3, 2016, this change resulted in the reclassification of $20 million of Segment Adjusted EBITDA from the United States segment to the Rest of World segment. For the year ended Jan. 3, 2016, this change resulted in the reclassification of $93 million of Segment Adjusted EBITDA from the United States segment to the Rest of World segment ($92 million) and Europe segment ($1 million).

[c] In the fourth quarter of 2016, the Company reorganized its segments to reflect a change in the Company's organizational structure. As a result, the Russia business within the historical RIMEA operating segment moved to the Europe reportable segment. The remaining businesses within RIMEA joined the historical Asia Pacific operating segment to form the AMEA operating segment. This change resulted in the reclassification of Segment Adjusted EBITDA from the Rest of World segment to the Europe segment of $10 million for the fourth quarter and $20 million for the year ended Jan. 3, 2016.

[d] In the fourth quarter of 2016, the Company determined that its GPO, formerly managed by a subsidiary within the Europe segment, would be managed by its global headquarters. This change resulted in the reclassification of Segment Adjusted EBITDA from the Europe segment to general corporate expenses of $2 million for the fourth quarter and $8 million for the year ended Jan. 3, 2016.

Appendix

Schedule 6

The Kraft Heinz Company
Reconciliation of Adjusted EBITDA to Constant Currency Adjusted EBITDA
For the Quarter Ended
(dollars in millions)
(Unaudited)

	Adjusted EBITDA	Impact of Currency	Constant Currency Adjusted EBITDA
December 31, 2016 (13 weeks)			
United States	$ 1,502	$ —	$ 1,502
Canada	151	1	150
Europe	189	(26)	215
Rest of World	144	—	144
General corporate expenses	(49)	1	(50)
	$ 1,937	$ (24)	$ 1,961
January 3, 2016 (14 weeks)			
United States[a]	$ 1,326	$ —	$ 1,326
Canada	167	—	167
Europe[a,b,c]	260	—	260
Rest of World[a,b]	182	3	179
General corporate expenses[c]	(60)	—	(60)
	$ 1,875	$ 3	$ 1,872
Year-over-year growth rates			
United States[a]	13.3 %	0.0 pp	13.3 %
Canada	(9.6)%	0.6 pp	(10.2)%
Europe[a,b,c]	(27.3)%	(10.0) pp	(17.3)%
Rest of World[a,b]	(20.9)%	(1.3) pp	(19.6)%
General corporate expenses[c]	(18.3)%	(1.6) pp	(16.7)%
Kraft Heinz	3.3 %	(1.5) pp	4.8 %

[a] In the first quarter of 2016, the Company moved certain historical Kraft export businesses from the Company's United States segment to its Rest of World and Europe segments to align with its long-term go-to-market strategies. For the fourth quarter ended Jan. 3, 2016, this change resulted in the reclassification of $20 million of Segment Adjusted EBITDA from the United States segment to the Rest of World segment.

[b] In the fourth quarter of 2016, the Company reorganized its segments to reflect a change in the Company's organizational structure. As a result, the Russia business within the historical RIMEA operating segment moved to the Europe reportable segment. The remaining businesses within RIMEA joined the historical Asia Pacific operating segment to form the AMEA operating segment. This change resulted in the reclassification of Segment Adjusted EBITDA from the Rest of World segment to the Europe segment of $10 million for the fourth quarter ended Jan. 3, 2016.

[c] In the fourth quarter of 2016, the Company determined that its GPO, formerly managed by a subsidiary within the Europe segment, would be managed by its global headquarters. This change resulted in the reclassification of Segment Adjusted EBITDA from the Europe segment to general corporate expenses of $2 million for the fourth quarter ended Jan. 3, 2016.

Schedule 7

The Kraft Heinz Company
Reconciliation of Adjusted EBITDA to Constant Currency Adjusted EBITDA
For the Year Ended
(dollars in millions)
(Unaudited)

	Adjusted EBITDA[a]	Impact of Currency	Constant Currency Adjusted EBITDA
December 31, 2016 (52 weeks)			
United States	$ 5,862	$ —	$ 5,862
Canada	642	(24)	666
Europe	781	(61)	842
Rest of World	657	(21)	678
General corporate expenses	(164)	1	(165)
	$ 7,778	$ (105)	$ 7,883
January 3, 2016 (53 weeks)			
United States[b]	$ 4,690	$ —	$ 4,690
Canada	541	—	541
Europe[b,c,d]	938	—	938
Rest of World[b,c]	742	102	640
General corporate expenses[d]	(172)	—	(172)
	$ 6,739	$ 102	$ 6,637
Year-over-year growth rates			
United States[b]	25.0 %	0.0 pp	25.0 %
Canada	18.7 %	(4.4) pp	23.1 %
Europe[b,c,d]	(16.7)%	(6.5) pp	(10.2)%
Rest of World[b,c]	(11.5)%	(17.4) pp	5.9 %
General corporate expenses[d]	(4.7)%	(0.6) pp	(4.1)%
Kraft Heinz	15.4 %	(3.4) pp	18.8 %

[a] There are no pro forma adjustments in 2016 as Kraft and Heinz were a combined company for the entire period.

[b] In the first quarter of 2016, the Company moved certain historical Kraft export businesses from the Company's United States segment to its Rest of World and Europe segments to align with its long-term go-to-market strategies. For the year ended Jan. 3, 2016, this change resulted in the reclassification of $93 million of Segment Adjusted EBITDA from the United States segment to the Rest of World segment ($92 million) and Europe segment ($1 million).

[c] In the fourth quarter of 2016, the Company reorganized its segments to reflect a change in the Company's organizational structure. As a result, the Russia business within the historical RIMEA operating segment moved to the Europe reportable segment. The remaining businesses within RIMEA joined the historical Asia Pacific operating segment to form the AMEA operating segment. This change resulted in the reclassification of Segment Adjusted EBITDA from the Rest of World segment to the Europe segment of $20 million for the year ended Jan. 3, 2016.

[d] In the fourth quarter of 2016, the Company determined that its GPO, formerly managed by a subsidiary within the Europe segment, would be managed by its global headquarters. This change resulted in the reclassification of Segment Adjusted EBITDA from the Europe segment to general corporate expenses of $8 million for the year ended Jan. 3, 2016.

Appendix

Schedule 8

The Kraft Heinz Company
Reconciliation of Pro Forma Diluted EPS to Adjusted EPS
(Unaudited)

	For the Quarter Ended		For the Year Ended	
	December 31, 2016 (13 weeks)	January 3, 2016 (14 weeks)	December 31, 2016 (52 weeks)	January 3, 2016 (53 weeks)
Pro forma diluted EPS[a]	$ 0.77	$ 0.23	$ 2.81	$ 0.70
Integration and restructuring expenses[b][c]	0.13	0.24	0.57	0.61
Merger costs[b][d]	—	—	0.02	0.49
Unrealized losses/(gains) on commodity hedges[b][e]	(0.01)	(0.01)	(0.02)	(0.02)
Impairment losses[b][e]	—	—	0.03	0.03
Losses/(gains) on sale of business[b][e]	—	—	—	(0.01)
Nonmonetary currency devaluation[b][f]	0.02	0.01	0.02	0.24
Preferred dividend adjustment[g]	—	0.15	(0.10)	0.15
Adjusted EPS	$ 0.91	$ 0.62	$ 3.33	$ 2.19

(a) There are no pro forma adjustments in 2016, as Kraft and Heinz were a combined company for the entire period.

(b) Income tax expense associated with these items is based on applicable jurisdictional tax rates and deductibility assessment of individual items.

(c) Integration and restructuring expenses include the following gross expenses:

- Expenses recorded in cost of products sold were $179 million in the fourth quarter and $711 million in the year ended Dec. 31, 2016 and $178 million in the fourth quarter and $479 million in the year ended Jan. 3, 2016;
- Expenses recorded in SG&A were $52 million in the fourth quarter and $301 million in the year ended Dec. 31, 2016 and $258 million in the fourth quarter and $638 million in the year ended Jan. 3, 2016;
- Expenses recorded in other expense/(income), net, were income of $2 million in the fourth quarter ended Dec. 31, 2016 (there were no such expenses in the year ended Dec. 31, 2016 or in the fourth quarter and year ended Jan. 3, 2016);

(d) Merger costs include the following gross expenses:

- Expenses recorded in cost of products sold were $2 million in the year ended Dec. 31, 2016 and $2 million in the fourth quarter and $6 million in the year ended Jan. 3, 2016 (there were no such expenses in the fourth quarter ended Dec. 31, 2016);
- Expenses recorded in SG&A were a benefit of $3 million in the fourth quarter and expense of $28 million in the year ended Dec. 31, 2016 and a benefit of $1 million in the fourth quarter and expense of $188 million in the year ended Jan. 3, 2016;
- Expenses recorded in interest expense were $466 million in the year ended Jan. 3, 2016 (there were no such expenses in the fourth quarter and year ended Dec. 31, 2016 or the fourth quarter ended Jan. 3, 2016);
- Expenses recorded in other expense/(income), net, were $5 million in the fourth quarter and $144 million in the year ended Jan. 3, 2016 (there were no such expenses in the fourth quarter and year ended Dec. 31, 2016);

(e) Refer to the reconciliation of pro forma net income/(loss) to Adjusted EBITDA for the related gross expenses.

(f) Nonmonetary currency devaluation includes the following gross expenses/(income):

- Expenses recorded in cost of products sold of $4 million in the year ended Dec. 31, 2016 and $8 million in the fourth quarter and $57 million in the year ended Jan. 3, 2016 (there were no such expenses in the fourth quarter ended Dec. 31, 2016), and
- Expenses recorded in other expense/(income), net, of $23 million in the fourth quarter and $24 million in the year ended Dec. 31, 2016 and $234 million in the year ended Jan. 3, 2016 (there were no such expenses in the fourth quarter ended Jan. 3, 2016);

(g) For Adjusted EPS, we present the impact of the Series A Preferred Stock dividend payments on an accrual basis. Accordingly, we included adjustments to EPS to exclude $180 million of Series A Preferred Stock dividends from the fourth quarter of 2015 (to reflect the March 7, 2016 Series A Preferred Stock dividend that was paid in Dec. 2015), to include such $180 million Series A Preferred Stock dividend payment in the first quarter of 2016, and to exclude $51 million of Series A Preferred Stock dividends from the second quarter of 2016 (to reflect that it was redeemed on June 7, 2016).

Appendix

KraftHeinz

Schedule 9

The Kraft Heinz Company
Consolidated Balance Sheets
(in millions)
(Unaudited)

	December 31, 2016	January 3, 2016
ASSETS		
Cash and cash equivalents	$ 4,204	$ 4,837
Trade receivables	769	871
Sold receivables	129	583
Inventories	2,684	2,618
Other current assets	967	871
Total current assets	8,753	9,780
Property, plant and equipment, net	6,688	6,524
Goodwill	44,125	43,051
Intangible assets, net	59,297	62,120
Other assets	1,617	1,498
TOTAL ASSETS	$ 120,480	$ 122,973
LIABILITIES AND EQUITY		
Commercial paper and other short-term debt	$ 645	$ 4
Current portion of long-term debt	2,046	79
Trade payables	3,996	2,844
Accrued marketing	749	856
Accrued postemployment costs	157	328
Income taxes payable	255	417
Interest payable	415	401
Dividends payable	39	762
Other current liabilities	1,199	1,241
Total current liabilities	9,501	6,932
Long-term debt	29,713	25,151
Deferred income taxes	20,848	21,497
Accrued postemployment costs	2,038	2,405
Other liabilities	806	752
TOTAL LIABILITIES	62,906	56,737
Redeemable noncontrolling interest	—	23
9.00% cumulative compounding preferred stock, Series A	—	8,320
Equity:		
Common stock, $0.01 par value	12	12
Additional paid-in capital	58,593	58,375
Retained earnings/(deficit)	588	—
Accumulated other comprehensive income/(losses)	(1,628)	(671)
Treasury stock, at cost	(207)	(31)
Total shareholders' equity	57,358	57,685
Noncontrolling interest	216	208
TOTAL EQUITY	57,574	57,893
TOTAL LIABILITIES AND EQUITY	$ 120,480	$ 122,973

Appendix

Schedule 10

The Kraft Heinz Company
Pro Forma Condensed Combined Statement of Income
For the Year Ended January 3, 2016
(in millions, except per share data)
(Unaudited)

	Kraft Heinz	Historical Kraft[(a)]	Pro Forma Adjustments		Pro Forma
Net sales	$ 18,338	$ 9,109	$ —		$ 27,447
Cost of products sold	12,577	6,103	(381)	(b)	18,299
Gross profit	5,761	3,006	381		9,148
Selling, general and administrative expenses	3,122	1,532	(41)	(c)	4,613
Operating income	2,639	1,474	422		4,535
Interest expense	1,321	247	(40)	(d)	1,528
Other expense/(income), net	305	(16)	—		289
Income/(loss) before income taxes	1,013	1,243	462		2,718
Provision for/(benefit from) income taxes	366	400	178	(e)	944
Net income/(loss)	647	843	284		1,774
Net income/(loss) attributable to noncontrolling interest	13	—	—		13
Net income/(loss) attributable to Kraft Heinz	634	843	284		1,761
Preferred dividends[(f)]	900	—	—		900
Net income/(loss) attributable to common shareholders	$ (266)	$ 843	$ 284		$ 861
Basic common shares outstanding					1,202
Diluted common shares outstanding					1,222
Per share data applicable to common shareholders:					
Basic earnings per share					$ 0.72
Diluted earnings per share					0.70

(a) Historical Kraft activity reflects activity for the period from Dec. 29, 2014 to July 2, 2015, prior to the 2015 Merger.

(b) Represents the change to align Kraft to Kraft Heinz's accounting policy for postemployment benefit plans and the elimination of nonrecurring non-cash costs related to the fair value adjustment of Kraft's inventory in purchase accounting.

(c) Reflects 2015 Merger-related adjustments including the change to align Kraft to Kraft Heinz's accounting policy for postemployment benefit plans; incremental amortization resulting from the fair value adjustment of Kraft's definite-lived intangible assets; incremental compensation expense due to the fair value remeasurement of certain of Kraft's equity awards; and, nonrecurring deal costs incurred in connection with the 2015 Merger.

(d) Represents the incremental change in interest expense resulting from the fair value adjustment of Kraft's long-term debt in connection with the 2015 Merger, including the elimination of the historical amortization of deferred financing fees and amortization of original issuance discount.

(e) Represents the income tax effect of pro forma adjustments utilizing a 38.5% weighted average statutory tax rate.

(f) Cash distributions for Series A Preferred Stock totaled $900 million for the year ended Jan. 3, 2016. This reflected one additional dividend payment versus the prior year made during the fourth quarter due to the fact that, in connection with the Dec. 8, 2015 Common Stock dividend declaration, the Company was required to accelerate payment of the Series A Preferred Stock dividend from March 7, 2016 to Dec. 8, 2015.