

Kraft Foods Group, Inc.

Q3 2014 Results Conference Call

October 29, 2014

A large, stylized, light blue watermark of the Kraft logo is positioned in the bottom right corner of the slide. The logo is tilted and set within a curved, light blue border that follows the shape of the watermark.

Forward-Looking Statements

This presentation contains a number of forward-looking statements. The words “adapt,” “continue,” “develop,” “drive,” “evolve,” “execute,” “expect,” “focus,” “gain,” “grow,” “progress,” “rejuvenate,” “remain,” “renovate,” “target,” “show” and similar expressions are intended to identify the forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements regarding Kraft’s growth, expectations, marketing, total cost management, pricing, progress, innovations and renovations and productivity. These forward-looking statements are not guarantees of future performance and are subject to a number of risks and uncertainties, many of which are beyond Kraft’s control. Important factors that could affect Kraft’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’s ability to maintain, extend and expand its reputation and brand image; Kraft’s ability to differentiate its products from other brands; increasing consolidation of retail customers; changes in relationships with significant customers and suppliers; Kraft’s ability to predict, identify and interpret changes in consumer preferences and demand; Kraft’s ability to drive revenue growth in its key product categories, increase its market share, or add products; volatility in commodity, energy and other input costs; changes in Kraft’s management team or other key personnel; Kraft’s geographic focus in North America; changes in regulations; legal claims or other regulatory enforcement actions; product recalls or product liability claims; unanticipated business disruptions; Kraft’s ability to complete or realize the benefits from potential acquisitions, alliances, divestitures or joint ventures; Kraft’s indebtedness and ability to pay such indebtedness; disruptions in information technology networks and systems; Kraft’s inability to protect intellectual property rights; weak economic conditions; tax law changes; the tax treatment of Kraft’s spin-off from Mondelez International, Inc.; volatility of market-based impacts to post-employment benefit plans; pricing actions; and other factors. For additional information on these and other factors that could affect Kraft’s forward-looking statements, see Kraft’s risk factors, as they may be amended from time to time, set forth in its filings with the Securities and Exchange Commission, including its most recently filed Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K. Kraft 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.



Kraft Foods Q3 2014 Business Update

- Making progress despite challenging external environment
- Efforts to drive organic revenue growth gaining traction
 - New innovations and renovations being well received
 - Pricing actions taking hold
 - Beginning to benefit from agile, digital marketing capability
 - Representation in growing channels is increasing
- Opportunities for continued improvement
 - Operational Discipline
 - Cash productivity
 - Marketing effectiveness
- EPS consistent with previous expectations



Q3 results highlight sequential improvement

- Pricing actions began to take hold
 - Evidence of competitor pricing to cover higher commodity costs
 - Focus on pricing net of commodity costs
- Gross profit pressure more than offset by SG&A savings
- Focus on most efficient, highest return programming
 - Shift to digital media
 - Some businesses still developing investable plans to rejuvenate brands
- Tax favorability, timing of cost savings initiatives helped EPS



2014 results to show right playbook, mixed execution

- EPS consistent with initial expectations
 - Tax rate¹ of ~32%
- Focused on profitable growth
 - Organic net revenue growth to lag N.A. Food & Beverage market
- Solid operating income growth, but short of potential
 - Negative pricing net of commodity cost increases
 - Gross productivity of ~4%, net productivity of 1.5%-2.0%
 - Overheads flat-to-down despite marketing capability investments
 - Advertising spend lower from efficiency gains, targeted cuts
- Free Cash Flow expected to be at 70%-80% of net income²

¹ Tax rate excludes the impact of market-based impacts to certain post-employment benefit plans.

² Free Cash Flow defined as cash flow from operations less capital expenditures. For purposes of this percentage, net income excludes market-based impacts to post-employment benefit plans. See the discussion of non-GAAP and other financial measures in the related press release.



Keys to driving sustainable profit growth going forward

- Focus on consistent execution
 - Our playbook drives profitable growth when we execute
- Recognize, embrace rapidly changing consumer behavior
 - Develop, execute best, most investable ideas
 - Live “total cost management”
- Continue to proactively evolve our strategy to drive long-term profitable growth



Q&A

Kraft

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