Forward-Looking Statements

This presentation contains a number of forward-looking statements. The words “expect,” “make,” “extend,” “focus,” “remain,” “execute,” “take,” “continue,” “grow” 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, progress, innovations and renovations, productivity, and seasonality. 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 treatment of Kraft’s spin-off from Mondelēz 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 Q2 2014 Business Update

• Q2 financials driven by Easter shift, implementation of pricing actions, mixed execution

• On track with full year expectations

• Industry headwinds remain

• Continue to focus on executing against our playbook
H1 results consistent with full year expectations

• H1 sales and share performance impacted by temporary dislocation from pricing actions

• Mixed execution held back H1 potential
  – Innovations, renovations gaining traction
  – Price elasticity in line to better-than-expected
  – Select businesses fell into pricing/couponing trap
  – Need to better balance renovations with everyday operations

• H1:H2 seasonality in line with historical averages

• Free Cash Flow\(^1\) up double digits through H1

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\(^1\) Free Cash Flow defined as cash flow from operations less capital expenditures. See the discussion of non-GAAP and other financial measures in the related press release
Consumer Staples growth to remain challenging

• Right now, industry returns on promotion, innovation, renovation are lower than historical norms

• Driven by the “C’s of Change”
  – Consumer: focus on value, nutrition & well-being
  – Customer: changing shopping patterns, channel shifting
  – Communication: rise of digital media

• Brand renovation, reinventing marketing, ubiquity across channels provide the best returns ... but take time
Driving profitable growth while executing our playbook

• Prioritizing brand renovations, innovation, marketing reinvention, extending channel penetration of key brands

• Managing total costs to protect investments

• Emphasizing cash, free cash flow productivity

• Continue to evaluate all options to accelerate the remaking of Kraft into a best-in-class Food & Beverage company
Q&A