THE KRAFT HEINZ COMPANY

Q2 2016 Update

August 4, 2016

Safe Harbor Statement

This webcast presentation contains a number of forward-looking statements. Words such as “expect,” “will,” “gain,” “maintain,” “start,” “continue,” “plan,” “target,” “grow,” “peak,” 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, execution, integration and growth. 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.

Mid-Year Update

KraftHeinz

Profitable Sales Growth

- Strong sauces growth worldwide
- Gaining from Big Bet innovation, whitespace
- Headwinds from challenged categories remain

Best in Class Margins

- Strong EBITDA growth
- Robust service levels during integration
- MBOs, "Ownerversity" up and running

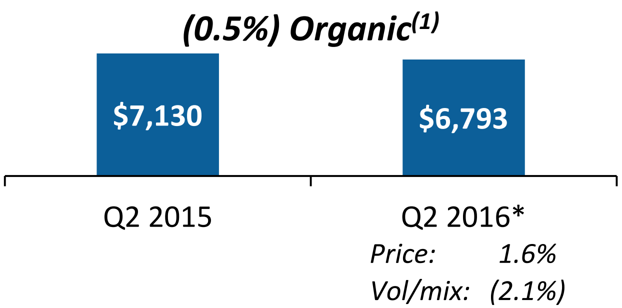
Superior Return of Capital with Strong Balance Sheet

- Closed accretive Preferred Stock redemption
- Leverage ratio[1] reduced below 4.0x LTM EBITDA
- Increased quarterly dividend 4.3% to $0.60

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

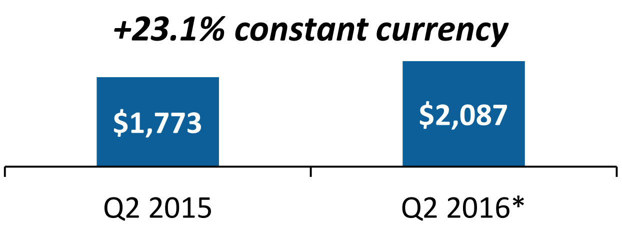
Q2 Financial Summary

Pro Forma Net Sales ($mm)



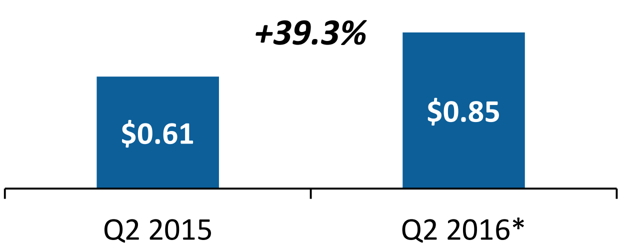
- Currency headwind consistent with Q1
- Pricing gains in most segments held back by key commodity[2] deflation in U.S., Canada
- Lower shipments in most developed markets offset gains from innovation, condiments globally

Adjusted EBITDA[1] ($mm)



- Strong growth driven by cost savings initiatives[3], favorable pricing relative to key commodity costs in U.S., Canada

Adjusted EPS[1]



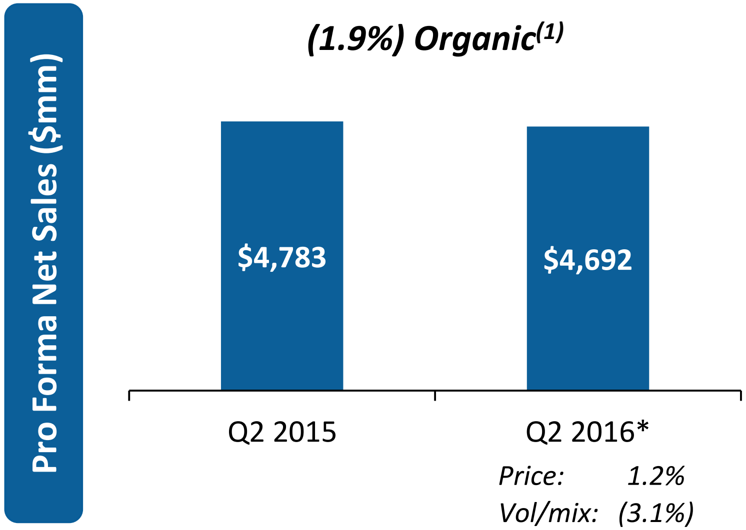
- Strong EPS growth leveraging EBITDA gains
- Higher 2Q16 tax rate versus prior year primarily driven by greater portion of income from U.S.
  - 2Q16 consistent with ~30% effective rate expected on an ongoing basis

** There are no pro forma adjustments for Q2 2016 as Kraft and Heinz were a combined company for the entire period.*
(1) Non-GAAP financial measure, see GAAP to Non-GAAP reconciliations at the end of this presentation.
(2) The Company's key commodities in the United States and Canada are dairy, meat, coffee and nuts.
(3) Cost savings initiatives include the Company's integration, restructuring and ongoing productivity efforts.

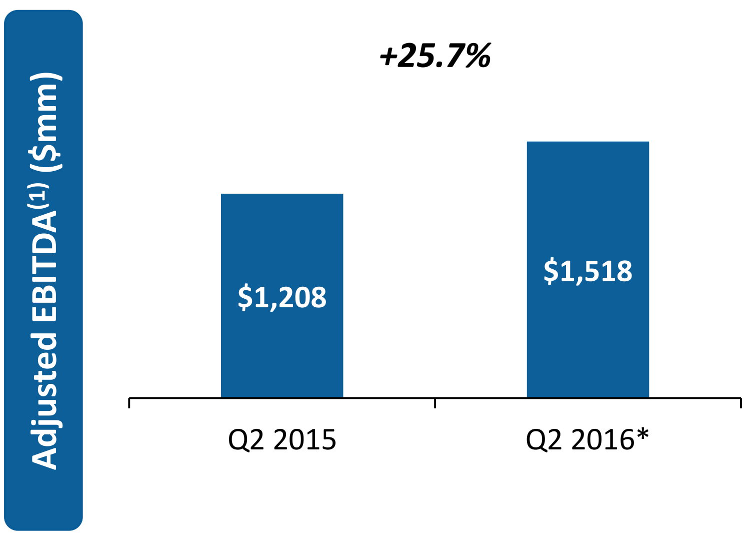
U.S. Update

- **Stable top-line performance during significant transformation**
  - Maintaining momentum in sauces, cream cheese, *Lunchables*, *P3*
  - New initiatives starting to work … Mac & Cheese, BBQ, RTD beverages
  - Continued weakness in challenged categories
- **Q2 shipments consistent with consumption**
  - Foodservice, non-traditional channel whitespace gains offset by timing of customer initiatives, service levels in Foodservice
- **Integration activity focused on operations, footprint**
  - SAP "go live" completed in Q2 with isolated issues, promptly fixed
- **Stepped-up in-store activity, new product news planned for H2**
  - New product introductions in desserts, cheese and frozen categories

United States: Q2 Results



- Pricing gains despite impact of deflation in key commodities
  - Primarily driven by lower promotional activity versus prior year
- Vol/mix decline primarily reflected lower shipments in Foodservice, bacon, cold cuts offsetting growth in *Lunchables*, *P3,* Mac & Cheese



- Strong Adjusted EBITDA growth driven by cost savings initiatives, favorable pricing relative to commodity costs versus prior year period
- Gains partially offset by impact of lower shipments versus prior year

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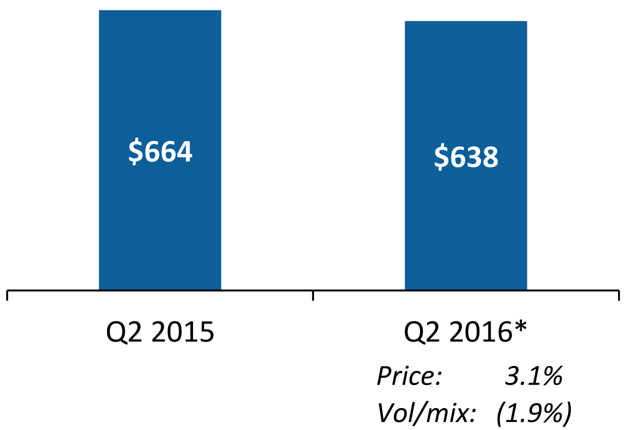
Canada: Q2 Results

Pro Forma Net Sales ($mm)

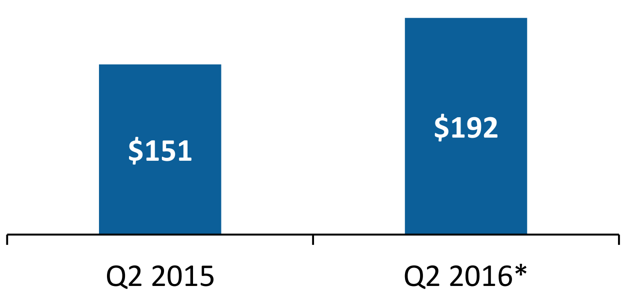
+1.2% Organic[1]



- Unfavorable currency translation ~5pp in Q2 versus ~10pp in Q1
- Price increases driven by higher input costs in local currency
- Vol/mix decline reflected reduced promotional activity in cheese versus prior year as well as lower coffee, ready-to-drink beverage shipments

Adjusted EBITDA[1] ($mm)

+34.4% constant currency



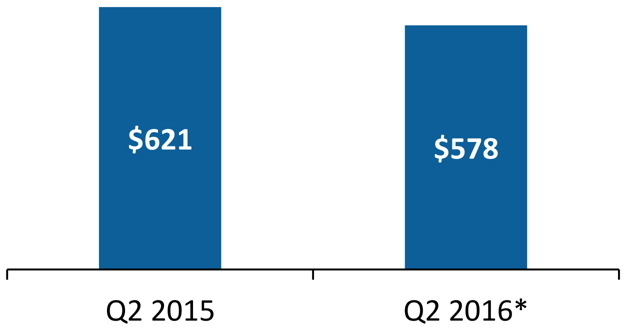
- Strong growth driven by cost savings initiatives and favorable pricing relative to higher local input costs, partially offset by unfavorable vol/mix
  - Favorable pricing versus input costs mainly due to timing, expect pricing more in line with input costs in H2

** There are no pro forma adjustments for Q2 2016 as Kraft and Heinz were a combined company for the entire period.*
(1) Non-GAAP financial measure, see GAAP to Non-GAAP reconciliations at the end of this presentation.

Europe: Q2 Results

Pro Forma Net Sales ($mm)

(2.3%) Organic[(1)]

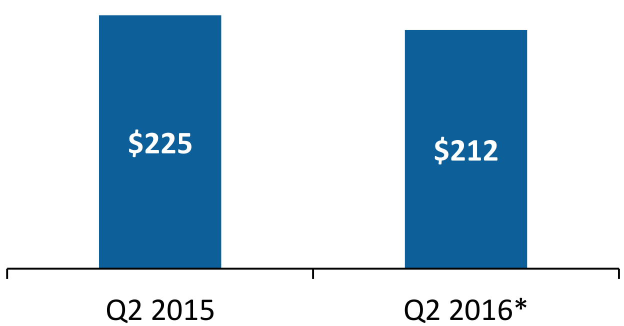


Price: (2.4%)
Vol/mix: 0.1%

- Headwinds from divestitures, currency translation
- Pricing decline driven by increased promotional activity in UK condiments versus prior year
- Flat vol/mix growth reflected gains from condiments and sauces in most countries offset by weakness in UK

Adjusted EBITDA[(1)] ($mm)

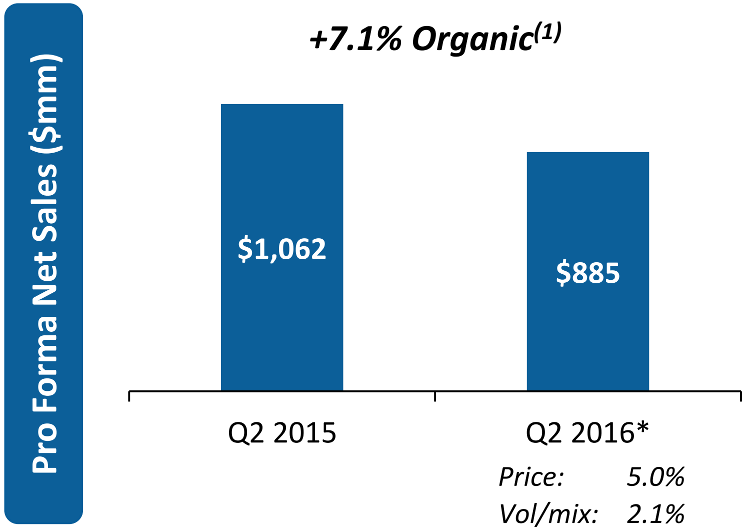
(2.7%) constant currency



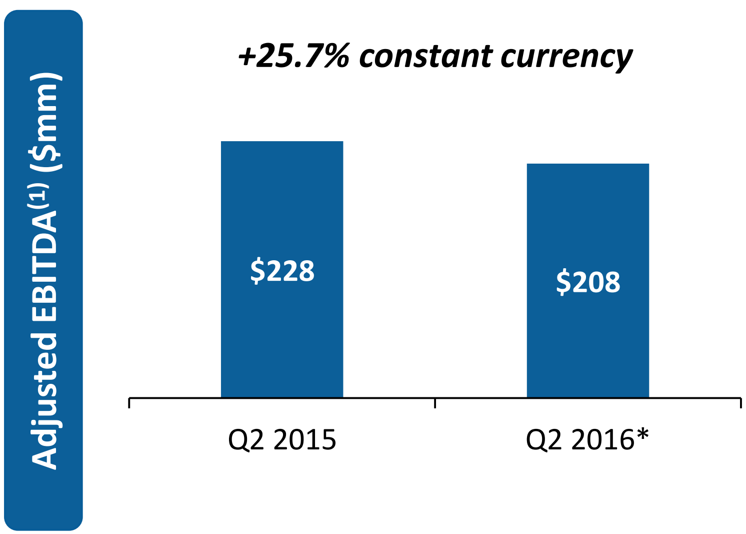
- Benefits from manufacturing savings more than offset by impacts from lower pricing and increased marketing investments

** There are no pro forma adjustments for Q2 2016 as Kraft and Heinz were a combined company for the entire period.*
(1) Non-GAAP financial measure, see GAAP to Non-GAAP reconciliations at the end of this presentation.

Rest of World: Q2 Results



- Significant negative currency translation largely due to June 2015 Venezuelan bolivar devaluation
- Pricing driven by price increases to offset higher local-currency input costs in Latin America
- Vol/mix gains driven by condiments and sauces in all regions



- Strong constant-currency growth driven by combination of pricing, volume gains and improved product mix

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(1) Non-GAAP financial measure, see GAAP to Non-GAAP reconciliations at the end of this presentation.

Outlook

- **Difficult consumer, retail trends expected to remain headwinds**
- **Still targeting Integration Program savings of $1.5 billion net of inflation in 2017**
  - Favorability from key commodity trends expected to fade going forward
- **Preferred Stock refinancing to benefit H2 EPS growth**
  - Run-rate interest expense expected to be ~3.8% of gross debt outstanding
- **Significant work ahead**
  - Rolling out Big Bet pipeline, capturing whitespace opportunities
  - Footprint integration activity to peak in H2

Appendix

Schedule 1

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

	For the Three Months Ended		For the Six Months Ended	
	July 3, 2016	June 28, 2015*	July 3, 2016	June 28, 2015*
Net sales	$ 6,793	$ 2,616	$ 13,363	$ 5,094
Cost of products sold	4,262	1,734	8,454	3,365
Gross profit	2,531	882	4,909	1,729
Selling, general and administrative expenses	895	438	1,760	776
Operating income	1,636	444	3,149	953
Interest expense	264	394	513	595
Other expense/(income), net	6	245	(2)	206
Income/(loss) before income taxes	1,366	(195)	2,638	152
Provision for/(benefit from) income taxes	411	(35)	783	33
Net income/(loss)	955	(160)	1,855	119
Net income/(loss) attributable to noncontrolling interest	5	4	9	7
Net income/(loss) attributable to Kraft Heinz	950	(164)	1,846	112
Preferred dividends[a]	180	180	180	360
Net income/(loss) attributable to common shareholders	$ 770	$ (344)	$ 1,666	$ (248)
Basic shares outstanding	1,217	380	1,216	379
Diluted shares outstanding	1,227	380	1,226	379
Per share data applicable to common shareholders:				
Basic earnings/(loss) per share	$ 0.63	$ (0.91)	$ 1.37	$ (0.66)
Diluted earnings/(loss) per share	0.63	(0.91)	1.36	(0.66)

*The consolidated statements of income for the three and six months ended June 28, 2015 reflect the results of Heinz only, as the 2015 Merger of Kraft and Heinz occurred on July 2, 2015.

[a] In connection with the December 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 December 8, 2015. Accordingly, there were no cash distributions related to our Series A Preferred Stock in the first quarter of 2016, resulting in cash distributions of $180 million in the six months ended July 3, 2016 compared to $360 million in the six months ended June 28, 2015.

Appendix

Schedule 2

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

	For the Three Months Ended		For the Six Months Ended	
	July 3, 2016*	June 28, 2015	July 3, 2016*	June 28, 2015
Net sales	$ 6,793	$ 7,130	$ 13,363	$ 13,960
Cost of products sold[(a)]	4,262	4,709	8,454	9,265
Gross profit	2,531	2,421	4,909	4,695
Selling, general and administrative expenses[(b)]	895	1,107	1,760	2,099
Operating income	1,636	1,314	3,149	2,596
Interest expense	264	497	513	802
Other expense/(income), net	6	246	(2)	190
Income/(loss) before income taxes	1,366	571	2,638	1,604
Provision for/(benefit from) income taxes	411	201	783	493
Net income/(loss)	955	370	1,855	1,111
Net income/(loss) attributable to noncontrolling interest	5	4	9	7
Net income/(loss) attributable to Kraft Heinz	950	366	1,846	1,104
Preferred dividends[(c)]	180	180	180	360
Net income/(loss) attributable to common shareholders	$ 770	$ 186	$ 1,666	$ 744
Basic common shares outstanding	1,217	1,194	1,216	1,190
Diluted common shares outstanding	1,227	1,224	1,226	1,221
Per share data applicable to common shareholders:				
Basic earnings per share	$ 0.63	$ 0.16	$ 1.37	$ 0.63
Diluted earnings per share	0.63	0.15	1.36	0.61

*There are no pro forma adjustments in the three and six months ended July 3, 2016 as Kraft and Heinz were a combined company for the entire period. Refer to Schedules 10 and 11 for additional information on the pro forma adjustments for the three and six months ended June 28, 2015.

[(a)] Integration and restructuring expenses in cost of products sold were as follows: $199 million in the three months ended July 3, 2016 ($137 million after-tax), $74 million in the three months ended June 28, 2015 ($52 million after-tax), $380 million in the six months ended July 3, 2016 ($259 million after-tax), and $140 million in the six months ended June 28, 2015 ($99 million after-tax).

[(b)] Integration and restructuring expenses in selling, general and administrative expenses were as follows: $85 million in the three months ended July 3, 2016 ($59 million after-tax), $44 million in the three months ended June 28, 2015 ($31 million after-tax), $164 million in the six months ended July 3, 2016 ($112 million after-tax), and $59 million in the six months ended June 28, 2015 ($42 million after-tax).

[(c)] In connection with the December 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 December 8, 2015. Accordingly, there were no cash distributions related to our Series A Preferred Stock in the first quarter of 2016, resulting in cash distributions of $180 million in the six months ended July 3, 2016 compared to $360 million in the six months ended June 28, 2015.

Appendix

Schedule 3

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

	Pro Forma Net Sales	Impact of Currency	Impact of Divestitures	Organic Net Sales	Price	Volume/Mix
July 3, 2016*						
United States	$ 4,692	$ —	$ —	$ 4,692		
Canada	638	(34)	—	672		
Europe	578	(13)	—	591		
Rest of World	885	(54)	—	939		
	$ 6,793	$ (101)	$ —	$ 6,894		
June 28, 2015						
United States[(a)]	$ 4,783	$ —	$ —	$ 4,783		
Canada	664	—	—	664		
Europe[(a)]	621	—	16	605		
Rest of World[(a)]	1,062	185	—	877		
	$ 7,130	$ 185	$ 16	$ 6,929		
Year-over-year growth rates						
United States[(a)]	(1.9)%	—	—	(1.9)%	1.2 pp	(3.1) pp
Canada	(3.9)%	(5.1) pp	—	1.2 %	3.1 pp	(1.9) pp
Europe[(a)]	(6.9)%	(2.1) pp	(2.5) pp	(2.3)%	(2.4) pp	0.1 pp
Rest of World[(a)]	(16.7)%	(23.8) pp	—	7.1 %	5.0 pp	2.1 pp
	(4.7)%	(4.0) pp	(0.2) pp	(0.5)%	1.6 pp	(2.1) pp

*There are no pro forma adjustments in the three months ended July 3, 2016 as Kraft and Heinz were a combined company for the entire period.

[(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 $88 million of pro forma net sales for the three months ended June 28, 2015 from the United States segment to the Rest of World segment ($87 million) and Europe segment ($1 million).

Appendix

Schedule 4

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

	Pro Forma Net Sales	Impact of Currency	Impact of Divestitures	Organic Net Sales	Price	Volume/Mix
July 3, 2016*						
United States	$ 9,407	$ —	$ —	$ 9,407		
Canada	1,142	(89)	—	1,231		
Europe	1,131	(37)	—	1,168		
Rest of World	1,683	(125)	—	1,808		
	$ 13,363	$ (251)	$ —	$ 13,614		
June 28, 2015						
United States[a]	$ 9,490	$ —	$ —	$ 9,490		
Canada	1,215	—	—	1,215		
Europe[a,b]	1,247	—	43	1,204		
Rest of World[a]	2,008	344	—	1,664		
	$ 13,960	$ 344	$ 43	$ 13,573		
Year-over-year growth rates						
United States[a]	(0.9)%	—	—	(0.9)%	0.6 pp	(1.5) pp
Canada	(6.0)%	(7.3) pp	—	1.3 %	3.4 pp	(2.1) pp
Europe[a,b]	(9.3)%	(3.0) pp	(3.3) pp	(3.0)%	(3.4) pp	0.4 pp
Rest of World[a]	(16.2)%	(24.9) pp	—	8.7 %	4.3 pp	4.4 pp
	(4.3)%	(4.3) pp	(0.3) pp	0.3 %	1.0 pp	(0.7) pp

*There are no pro forma adjustments in the six months ended July 3, 2016 as Kraft and Heinz were a combined company for the entire period.

[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 $171 million of pro forma net sales for the six months ended June 28, 2015 from the United States segment to the Rest of World segment ($170 million) and Europe segment ($1 million).

[b] The Company increased Europe Organic Net Sales by $2 million from the amount previously published for the six months ended June 28, 2015 to reflect a correction to the Impact of Divestitures.

Appendix

Schedule 5

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

	For the Three Months Ended		For the Six Months Ended	
	July 3, 2016*	June 28, 2015	July 3, 2016*	June 28, 2015
Pro forma net income/(loss)	$ 955	$ 370	$ 1,855	$ 1,111
Interest expense	264	497	513	802
Other expense/(income), net	6	246	(2)	190
Provision for/(benefit from) income taxes	411	201	783	493
Operating income	1,636	1,314	3,149	2,596
Depreciation and amortization (excluding integration and restructuring expenses)	124	210	285	426
Integration and restructuring expenses	284	118	544	199
Merger costs	14	41	29	54
Unrealized losses/(gains) on commodity hedges	(37)	(21)	(45)	(23)
Impairment losses	53	58	53	58
Losses/(gains) on sale of business	—	(21)	—	(21)
Nonmonetary currency devaluation	2	49	3	49
Equity award compensation expense (excluding integration and restructuring expenses)	11	25	20	44
Adjusted EBITDA	$ 2,087	$ 1,773	$ 4,038	$ 3,382
Segment Adjusted EBITDA:				
United States[a]	$ 1,518	$ 1,208	$ 3,011	$ 2,331
Canada	192	151	343	264
Europe[a]	212	225	389	439
Rest of World[a]	208	228	375	418
General corporate expenses	(43)	(39)	(80)	(70)
Adjusted EBITDA	$ 2,087	$ 1,773	$ 4,038	$ 3,382

*There are no pro forma adjustments in the three and six months ended July 3, 2016 as Kraft and Heinz were a combined company for the entire period.

[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 three months ended June 28, 2015, this change resulted in the reclassification of $23 million of Segment Adjusted EBITDA from the United States segment to the Rest of World segment. For the six months ended June 28, 2015, this change resulted in the reclassification of $45 million of Segment Adjusted EBITDA from the United States segment to the Rest of World segment.

Appendix

Schedule 6

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

	Adjusted EBITDA	Impact of Currency	Constant Currency Adjusted EBITDA
July 3, 2016*			
United States	$ 1,518	$ —	$ 1,518
Canada	192	(11)	203
Europe	212	(7)	219
Rest of World	208	(12)	220
General corporate expenses	(43)	—	(43)
	$ 2,087	$ (30)	$ 2,117
June 28, 2015			
United States[a]	$ 1,208	$ —	$ 1,208
Canada	151	—	151
Europe[a]	225	—	225
Rest of World[a]	228	53	175
General corporate expenses	(39)	—	(39)
	$ 1,773	$ 53	$ 1,720
Year-over-year growth rates			
United States[a]	25.7 %	—	25.7 %
Canada	27.2 %	(7.2) pp	34.4 %
Europe[a]	(5.8)%	(3.1) pp	(2.7)%
Rest of World[a]	(8.8)%	(34.5) pp	25.7 %
General corporate expenses	10.3 %	—	10.3 %
	17.7 %	(5.4) pp	23.1 %

*There are no pro forma adjustments in the three months ended July 3, 2016 as Kraft and Heinz were a combined company for the entire period.

[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 three months ended June 28, 2015, this change resulted in the reclassification of $23 million of Segment Adjusted EBITDA from the United States segment to the Rest of World segment.

Appendix

Schedule 7

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

	Adjusted EBITDA	Impact of Currency	Constant Currency Adjusted EBITDA
July 3, 2016*			
United States	$ 3,011	$ —	$ 3,011
Canada	343	(27)	370
Europe	389	(15)	404
Rest of World	375	(24)	399
General corporate expenses	(80)	—	(80)
	$ 4,038	$ (66)	$ 4,104
June 28, 2015			
United States[(a)]	$ 2,331	$ —	$ 2,331
Canada	264	—	264
Europe[(a)]	439	—	439
Rest of World[(a)]	418	101	317
General corporate expenses	(70)	—	(70)
	$ 3,382	$ 101	$ 3,281
Year-over-year growth rates			
United States[(a)]	29.2 %	—	29.2 %
Canada	29.9 %	(10.3) pp	40.2 %
Europe[(a)]	(11.4)%	(3.4) pp	(8.0)%
Rest of World[(a)]	(10.3)%	(36.2) pp	25.9 %
General corporate expenses	14.3 %	—	14.3 %
	19.4 %	(5.7) pp	25.1 %

*There are no pro forma adjustments in the six months ended July 3, 2016 as Kraft and Heinz were a combined company for the entire period.

[(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 six months ended June 28, 2015, this change resulted in the reclassification of $45 million of Segment Adjusted EBITDA from the United States segment to the Rest of World segment.

Appendix

Schedule 8

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

	For the Three Months Ended		For the Six Months Ended	
	July 3, 2016*	June 28, 2015	July 3, 2016*	June 28, 2015
Pro forma diluted EPS	$ 0.63	$ 0.15	$ 1.36	$ 0.61
Integration and restructuring expenses[a]	0.16	0.07	0.30	0.12
Merger costs[b]	0.01	0.15	0.02	0.17
Unrealized losses/(gains) on commodity hedges[a]	(0.02)	(0.01)	(0.03)	(0.01)
Impairment losses[a]	0.03	0.03	0.03	0.03
Losses/(gains) on sale of business[a]	—	(0.01)	—	(0.01)
Nonmonetary currency devaluation[c]	—	0.23	0.01	0.23
Preferred dividend adjustment[d]	0.04	—	(0.11)	—
Adjusted EPS	$ 0.85	$ 0.61	$ 1.58	$ 1.14

*There are no pro forma adjustments in the three and six months ended July 3, 2016 as Kraft and Heinz were a combined company for the entire period.

[a] Refer to the reconciliation of pro forma net income to Adjusted EBITDA for the related gross expenses.

[b] Merger costs include the following gross expenses:

- Expenses recorded in cost of products sold of $1 million for the three and six months ended July 3, 2016;
- Expenses recorded in selling, general and administrative expenses of $13 million for the three months and $28 million for the six months ended July 3, 2016 and $41 million for the three months and $54 million for the six months ended June 28, 2015;
- Expenses recorded in interest expense of $227 million for the three months and $259 million for the six months ended June 28, 2015; and,
- Expenses recorded in other expense/(income), net of $26 million for the three and six months ended June 28, 2015.

[c] Nonmonetary currency devaluation includes the following gross expenses:

- Expenses recorded in cost of products sold of $2 million for the three months and $3 million for the six months ended July 3, 2016 and $49 million for the three and six months ended June 28, 2015; and,
- Expenses recorded in other expense/(income), net of $7 million for the three and six months ended July 3, 2016 and $234 million for the three and six months ended June 28, 2015.

[d] For Adjusted EPS, we present the impact of the Series A Preferred Stock dividend payments on an accrual basis. Accordingly, we include adjustments to EPS to include $180 million of Series A Preferred Stock dividends during the first quarter of 2016 (to reflect the March 7, 2016 Series A Preferred Stock dividend that was paid in December 2015) and to exclude $51 million of Series A Preferred Stock dividends during the three months ended July 3, 2016 (to reflect that it was redeemed on June 7, 2016).

Appendix

Schedule 9

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

	July 3, 2016	January 3, 2016
ASSETS		
Cash and cash equivalents	$ 4,237	$ 4,837
Trade receivables	1,114	871
Sold receivables	146	583
Inventories	2,881	2,618
Other current assets	969	871
Total current assets	9,347	9,780
Property, plant and equipment, net	6,423	6,524
Goodwill	44,641	43,051
Intangible assets, net	59,762	62,120
Other assets	1,511	1,498
TOTAL ASSETS	$ 121,684	$ 122,973
LIABILITIES AND EQUITY		
Commercial paper and other short-term debt	$ 645	$ 4
Current portion of long-term debt	2,106	79
Trade payables	2,960	2,844
Accrued marketing	867	856
Accrued postemployment costs	164	328
Income taxes payable	368	417
Interest payable	393	401
Dividends payable	827	762
Other current liabilities	1,263	1,241
Total current liabilities	9,593	6,932
Long-term debt	30,002	25,151
Deferred income taxes	20,900	21,497
Accrued postemployment costs	2,341	2,405
Other liabilities	801	752
TOTAL LIABILITIES	63,637	56,737
Redeemable noncontrolling interest	—	23
9.00% Series A cumulative compounding redeemable preferred stock	—	8,320
Equity:		
Common stock, $.01 par value	12	12
Additional paid-in capital	58,525	58,375
Retained earnings/(deficit)	263	—
Accumulated other comprehensive income/(losses)	(933)	(671)
Treasury stock, at cost	(41)	(31)
Total shareholders' equity	57,826	57,685
Noncontrolling interest	221	208
TOTAL EQUITY	58,047	57,893
TOTAL LIABILITIES AND EQUITY	$ 121,684	$ 122,973

Appendix

KraftHeinz

Schedule 10

The Kraft Heinz Company
Pro Forma Condensed Combined Statement of Income
For the Three Months Ended June 28, 2015
(in millions, except per share data)
(Unaudited)

	Historical Heinz	Historical Kraft	Pro Forma Adjustments		Pro Forma
Net sales	$ 2,616	$ 4,514	$ —		$ 7,130
Cost of products sold	1,734	2,945	30	(a)	4,709
Gross profit	882	1,569	(30)		2,421
Selling, general and administrative expenses	438	646	23	(b)	1,107
Operating income	444	923	(53)		1,314
Interest expense	394	123	(20)	(c)	497
Other expense/(income), net	245	1	—		246
Income/(loss) before income taxes	(195)	799	(33)		571
Provision for/(benefit from) income taxes	(35)	248	(12)	(d)	201
Net income/(loss)	(160)	551	(21)		370
Net income/(loss) attributable to noncontrolling interest	4	—	—		4
Net income/(loss) attributable to Kraft Heinz	(164)	551	(21)		366
Preferred dividends	180	—	—		180
Net income/(loss) attributable to common shareholders	$ (344)	$ 551	$ (21)		$ 186
Basic common shares outstanding					1,194
Diluted common shares outstanding					1,224
Per share data applicable to common shareholders:					
Basic earnings per share					$ 0.16
Diluted earnings per share					0.15

[a] Represents the change to align Kraft to Kraft Heinz's accounting policy for postemployment benefit plans.

[b] 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, certain deal costs related to the 2015 Merger.

[c] 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.

[d] Represents the income tax effect of pro forma adjustments utilizing a 38.5% weighted average statutory tax rate.

Appendix

Schedule 11

The Kraft Heinz Company
Pro Forma Condensed Combined Statement of Income
For the Six Months Ended June 28, 2015
(in millions, except per share data)
(Unaudited)

	Historical Heinz	Historical Kraft	Pro Forma Adjustments		Pro Forma
Net sales	$ 5,094	$ 8,866	$ —		$ 13,960
Cost of products sold	3,365	5,934	(34)	(a)	9,265
Gross profit	1,729	2,932	34		4,695
Selling, general and administrative expenses	776	1,268	55	(b)	2,099
Operating income	953	1,664	(21)		2,596
Interest expense	595	247	(40)	(c)	802
Other expense/(income), net	206	(16)	—		190
Income/(loss) before income taxes	152	1,433	19		1,604
Provision for/(benefit from) income taxes	33	452	8	(d)	493
Net income/(loss)	119	981	11		1,111
Net income/(loss) attributable to noncontrolling interest	7	—	—		7
Net income/(loss) attributable to Kraft Heinz	112	981	11		1,104
Preferred dividends	360	—	—		360
Net income/(loss) attributable to common shareholders	$ (248)	$ 981	$ 11		$ 744
Basic common shares outstanding					1,190
Diluted common shares outstanding					1,221
Per share data applicable to common shareholders:					
Basic earnings per share					$ 0.63
Diluted earnings per share					0.61

[a] Represents the change to align Kraft to Kraft Heinz's accounting policy for postemployment benefit plans.

[b] 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, certain deal costs related to the 2015 Merger.

[c] 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.

[d] Represents the income tax effect of pro forma adjustments utilizing a 38.5% weighted average statutory tax rate.