

Kraft Foods Group, Inc.

Q2 2014 Results

July 30, 2014



Kraft

Forward-Looking Statements

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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/coupons trap
 - Need to better balance renovations with everyday operations
- H1:H2 seasonality in line with historical averages
- Free Cash Flow¹ up double digits through H1

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

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