



Mondelēz International Reports Q3 Results

- Net revenues increased 2.1%; Organic Net Revenue¹ increased 2.8%
- Operating income margin was 18.1%, up 710 basis points; Adjusted Operating Income¹ margin was 16.9%, up 130 basis points
- Diluted EPS was \$0.65, up 86%; Adjusted EPS¹ was \$0.57, up 12% on a constant-currency basis

DEERFIELD, Ill. – Oct. 30, 2017 – Mondelēz International, Inc. (NASDAQ: MDLZ) today reported its third quarter 2017 results.

“We’re pleased with our improving revenue growth, driven by the strength of our Power Brands, continued momentum in emerging markets and Europe,” said Irene Rosenfeld, Chairman and CEO. “We posted another quarter of strong expansion in operating income margin and earnings. We’re making good progress on many of our key strategic initiatives and remain confident in our ability to deliver long-term, sustainable growth on both the top and bottom lines.”

Net Revenue

\$ in millions	Reported Net Revenues		Organic Net Revenue Growth		
	Q3 2017	% Chg vs PY	Q3 2017	Vol/Mix	Pricing
Quarter 3					
Latin America	\$ 908	4.6 %	5.4 %	(2.9)pp	8.3 pp
Asia, Middle East & Africa	1,405	(2.6)	2.9	(0.5)	3.4
Europe	2,442	4.7	3.2	4.6	(1.4)
North America	1,775	1.3	1.0	0.7	0.3
Mondelēz International	\$ 6,530	2.1 %	2.8 %	1.3 pp	1.5 pp
Emerging Markets	\$ 2,445	4.5 %	4.8 %		
Developed Markets	4,085	0.7	1.6		
Power Brands	\$ 4,771	5.6 %	3.8 %		
September Year-to-Date	Sept YTD		Sept YTD		
Latin America	\$ 2,666	5.5 %	2.9 %	(4.5)pp	7.4 pp
Asia, Middle East & Africa	4,290	(2.6)	1.3	(1.3)	2.6
Europe	6,978	(1.3)	1.2	1.8	(0.6)
North America	4,996	(3.0)	(3.0)	(2.5)	(0.5)
Mondelēz International	\$ 18,930	(1.2)%	0.3 %	(0.9)pp	1.2 pp
Emerging Markets	\$ 7,151	2.4 %	2.7 %		
Developed Markets	11,779	(3.2)	(1.1)		
Power Brands	\$ 13,784	1.4 %	1.5 %		

Operating Income and Diluted EPS

\$ in millions	Reported		Adjusted		
	Q3 2017	vs PY	Q3 2017	vs PY	vs PY
		(Rpt Fx)		(Rpt Fx)	(Cst Fx)
Quarter 3					
Gross Profit	\$ 2,552	2.6 %	\$ 2,577	2.9 %	1.7 %
Gross Profit Margin	39.1 %	0.2 pp	39.5 %	(0.6)pp	
Operating Income	\$ 1,181	68.2 %	\$ 1,100	12.9 %	10.9 %
Operating Income Margin	18.1 %	7.1 pp	16.9 %	1.3 pp	
Net Earnings ²	\$ 992	81.0 %	\$ 868	9.6 %	
Diluted EPS	\$ 0.65	85.7 %	\$ 0.57	14.0 %	12.0 %
September Year-to-Date					
	Sept YTD		Sept YTD		
Gross Profit	\$ 7,401	(1.8)%	\$ 7,485	(0.9)%	(0.2)%
Gross Profit Margin	39.1 %	(0.3)pp	40.1 %	(0.3)pp	
Operating Income	\$ 2,662	29.1 %	\$ 3,075	6.7 %	8.5 %
Operating Income Margin	14.1 %	3.3 pp	16.5 %	1.1 pp	
Net Earnings	\$ 2,120	35.4 %	\$ 2,411	7.7 %	
Diluted EPS	\$ 1.38	39.4 %	\$ 1.57	10.6 %	12.0 %

Third Quarter Commentary

- **Net revenues** increased 2.1 percent, driven by Organic Net Revenue growth and currency tailwinds. Organic Net Revenue increased 2.8 percent, driven by the continued strength of our Power Brands as well as strong performance in Europe and emerging markets. The company also realized an estimated net positive impact of 60 basis points from delayed shipments that moved to the third quarter as the company recovered from the malware incident.
- **Gross profit margin** was 39.1 percent, an increase of 20 basis points, driven primarily by lower Restructuring Program implementation costs and favorable mark-to-market comparisons, partially offset by malware-related expenses. Adjusted Gross Profit margin was 39.5 percent, a decrease of 60 basis points, driven by higher input costs and select trade investments in some key markets, partially offset by continued net productivity gains.
- **Operating income margin** was 18.1 percent, up 710 basis points, driven primarily by the gain on divestiture, the benefit from resolution of a Brazilian indirect tax matter and lower Restructuring Program costs. Adjusted Operating Income margin increased 130 basis points to 16.9 percent, due primarily to lower overhead costs driven by continued cost reduction efforts.
- **Diluted EPS** was \$0.65, up 86 percent, driven primarily by the gain on divestiture, the benefit from resolution of a Brazilian indirect tax matter, lower Restructuring Program costs and operating gains.
- **Adjusted EPS** was \$0.57 and grew 12 percent on a constant-currency basis, driven primarily by operating gains.
- **Capital Return:** The company repurchased more than \$700 million of its common stock and paid approximately \$300 million in cash dividends.

2017 Outlook

Mondelēz International provides guidance on a non-GAAP basis, as the company cannot predict some elements that are included in reported GAAP results, including the impact of foreign exchange. Refer to the Outlook section in the discussion of non-GAAP financial measures below for more details.

For 2017, the company now expects Organic Net Revenue growth to be approximately 1 percent given the larger than expected impact from the malware incident. The company still expects Adjusted Operating Income margin in the mid-16 percent range and double-digit Adjusted EPS growth on a constant-currency basis. The company estimates full year currency translation would not result in a change to net revenue growth or Adjusted EPS³. In addition, the company still expects Free Cash Flow¹ of approximately \$2 billion.

Conference Call

Mondelēz International will host a conference call for investors with accompanying slides to review its results at 5 p.m. ET today. A listen-only webcast will be provided at www.mondelezinternational.com. An archive of the webcast will be available on the company's web site. The company will be live tweeting the event at www.twitter.com/MDLZ.

About Mondelēz International

Mondelēz International, Inc. (NASDAQ: MDLZ) is building the best snacking company in the world, with 2016 net revenues of approximately \$26 billion. Creating more moments of joy in approximately 165 countries, Mondelēz International is a world leader in biscuits, chocolate, gum, candy and powdered beverages, featuring global Power Brands such as *Oreo* and *belVita* biscuits; *Cadbury Dairy Milk* and *Milka* chocolate; and *Trident* gum. Mondelēz International is a proud member of the Standard and Poor's 500, NASDAQ 100 and Dow Jones Sustainability Index. Visit www.mondelezinternational.com or follow the company on Twitter at www.twitter.com/MDLZ.

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End Notes

1. Organic Net Revenue, Adjusted Operating Income (and Adjusted Operating Income margin), Adjusted EPS, Adjusted Gross Profit (and Adjusted Gross Profit margin), Free Cash Flow and presentation of amounts in constant currency are non-GAAP financial measures. Please see discussion of non-GAAP financial measures at the end of this press release for more information.
2. Net earnings attributable to Mondelēz International.
3. Currency estimate is based on published rates from XE.com on October 25, 2017.

Additional Definitions

Power Brands include some of the company's largest global and regional brands, such as *Oreo*, *Chips Ahoy!*, *Ritz*, *TUC/Club Social* and *belVita* biscuits; *Cadbury Dairy Milk*, *Milka* and *Lacta* chocolate; *Trident* gum; *Halls* candy; and *Tang* powdered beverages.

Emerging markets consist of the Latin America region in its entirety; the Asia, Middle East and Africa region excluding Australia, New Zealand and Japan; and the following countries from the Europe region: Russia, Ukraine, Turkey, Kazakhstan, Belarus, Georgia, Poland, Czech Republic, Slovak Republic, Hungary, Bulgaria, Romania, the Baltics and the East Adriatic countries.

Developed markets include the entire North America region, the Europe region excluding the countries included in the emerging markets definition, and Australia, New Zealand and Japan from the Asia, Middle East and Africa region.

Forward-Looking Statements

This press release contains a number of forward-looking statements. Words, and variations of words, such as “will,” “expect,” “would,” “could,” “believe,” “estimate,” “deliver,” “guidance,” “outlook” and similar expressions are intended to identify the company’s forward-looking statements, including, but not limited to, statements about: the company’s future performance, including its future revenue growth, earnings per share, margins and cash flow; currency and the effect of foreign exchange translation on the company’s results of operations; remediation efforts related to and the financial and other impacts of the malware incident; the costs of, timing of expenditures under and completion of the company’s restructuring program; the Brazilian indirect tax matter; and the company’s outlook, including 2017 Organic Net Revenue growth, Adjusted Operating Income margin, Adjusted EPS and Free Cash Flow. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the company’s control, which could cause the company’s actual results to differ materially from those indicated in the company’s forward-looking statements. Such factors include, but are not limited to, risks from operating globally including in emerging markets; changes in currency exchange rates, controls and restrictions; continued volatility of commodity and other input costs; weakness in economic conditions; weakness in consumer spending; pricing actions; unanticipated disruptions to the company’s business, such as the malware incident, cyberattacks or other security breaches; competition; the restructuring program and the company’s other transformation initiatives not yielding the anticipated benefits; changes in the assumptions on which the restructuring program is based; and tax law changes. Please also see the company’s risk factors, as they may be amended from time to time, set forth in its filings with the SEC, including the company’s most recently filed Annual Report on Form 10-K. Mondelēz International disclaims and does not undertake any obligation to update or revise any forward-looking statement in this press release, except as required by applicable law or regulation.

Mondelēz International, Inc. and Subsidiaries
Condensed Consolidated Statements of Earnings
(in millions of U.S. dollars and shares, except per share data)
(Unaudited)

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2017	2016	% Change Fav / (Unfav)	2017	2016	% Change Fav / (Unfav)
Net revenues	\$ 6,530	\$ 6,396	2.1 %	\$ 18,930	\$ 19,153	(1.2)%
Cost of sales	3,978	3,908	(1.8)%	11,529	11,614	0.7 %
Gross profit	2,552	2,488	2.6 %	7,401	7,539	(1.8)%
Gross profit margin	39.1%	38.9%		39.1%	39.4%	
Selling, general and administrative expenses	1,330	1,552	14.3 %	4,254	4,835	12.0 %
Asset impairment and exit costs	183	190	3.7 %	536	510	(5.1)%
Net gain on divestitures	(187)	-	100.0 %	(184)	-	100.0 %
Amortization of intangibles	45	44	(2.3)%	133	132	(0.8)%
Operating income	1,181	702	68.2 %	2,662	2,062	29.1 %
Operating income margin	18.1%	11.0%		14.1%	10.8%	
Interest and other expense, net	19	145	86.9 %	262	540	51.5 %
Earnings before income taxes	1,162	557	108.6 %	2,400	1,522	57.7 %
Provision for income taxes	(272)	(40)	(580.0)%	(510)	(207)	(146.4)%
Effective tax rate	23.4%	7.2%		21.3%	13.6%	
Gain on equity method investment exchange	-	-	- %	-	43	(100.0)%
Equity method investment net earnings	103	31	232.3 %	236	218	8.3 %
Net earnings	993	548	81.2 %	2,126	1,576	34.9 %
Noncontrolling interest earnings	(1)	-	(100.0)%	(6)	(10)	40.0 %
Net earnings attributable to Mondelēz International	\$ 992	\$ 548	81.0 %	\$ 2,120	\$ 1,566	35.4 %
Per share data:						
Basic earnings per share attributable to Mondelēz International	\$ 0.66	\$ 0.35	88.6 %	\$ 1.40	\$ 1.00	40.0 %
Diluted earnings per share attributable to Mondelēz International	\$ 0.65	\$ 0.35	85.7 %	\$ 1.38	\$ 0.99	39.4 %
Average shares outstanding:						
Basic	1,507	1,557	3.2 %	1,518	1,561	2.8 %
Diluted	1,524	1,576	3.3 %	1,537	1,579	2.7 %

Mondelēz International, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in millions of U.S. dollars)
(Unaudited)

	September 30, 2017	December 31, 2016	
ASSETS			
Cash and cash equivalents	\$ 844	\$ 1,741	
Trade receivables	2,981	2,611	
Other receivables	932	859	
Inventories, net	2,781	2,469	
Other current assets	617	800	
Total current assets	8,155	8,480	
Property, plant and equipment, net	8,538	8,229	
Goodwill	21,071	20,276	
Intangible assets, net	18,638	18,101	
Prepaid pension assets	148	159	
Deferred income taxes	332	358	
Equity method investments	6,060	5,585	
Other assets	349	350	
TOTAL ASSETS	\$ 63,291	\$ 61,538	
LIABILITIES			
Short-term borrowings	\$ 4,551	\$ 2,531	
Current portion of long-term debt	1,164	1,451	
Accounts payable	5,139	5,318	
Accrued marketing	1,651	1,745	
Accrued employment costs	699	736	
Other current liabilities	2,831	2,636	
Total current liabilities	16,035	14,417	
Long-term debt	12,918	13,217	
Deferred income taxes	4,664	4,721	
Accrued pension costs	1,684	2,014	
Accrued postretirement health care costs	395	382	
Other liabilities	1,496	1,572	
TOTAL LIABILITIES	37,192	36,323	
EQUITY			
Common Stock	-	-	
Additional paid-in capital	31,886	31,847	
Retained earnings	22,296	21,149	
Accumulated other comprehensive losses	(9,917)	(11,122)	
Treasury stock	(18,234)	(16,713)	
Total Mondelēz International Shareholders' Equity	26,031	25,161	
Noncontrolling interest	68	54	
TOTAL EQUITY	26,099	25,215	
TOTAL LIABILITIES AND EQUITY	\$ 63,291	\$ 61,538	
	September 30, 2017	December 31, 2016	Incr/(Decr)
Short-term borrowings	\$ 4,551	\$ 2,531	\$ 2,020
Current portion of long-term debt	1,164	1,451	(287)
Long-term debt	12,918	13,217	(299)
Total Debt	18,633	17,199	1,434
Cash and cash equivalents	844	1,741	(897)
Net Debt ⁽¹⁾	\$ 17,789	\$ 15,458	\$ 2,331

⁽¹⁾ Net debt is defined as total debt, which includes short-term borrowings, current portion of long-term debt and long-term debt, less cash and cash equivalents.

Mondelēz International, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in millions of U.S. dollars)
(Unaudited)

	For the Nine Months Ended	
	September 30,	
	2017	2016
CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES		
Net earnings	\$ 2,126	\$ 1,576
Adjustments to reconcile net earnings to operating cash flows:		
Depreciation and amortization	604	615
Stock-based compensation expense	104	102
Deferred income tax provision/(benefit)	77	(163)
Asset impairments and accelerated depreciation	287	262
Loss on early extinguishment of debt	11	-
Gain on equity method investment exchange	-	(43)
Net gain on divestitures	(184)	-
Equity method investment net earnings	(236)	(218)
Distributions from equity method investments	143	75
Other non-cash items, net	(238)	10
Change in assets and liabilities, net of acquisitions and divestitures:		
Receivables, net	(387)	(265)
Inventories, net	(236)	(121)
Accounts payable	(426)	(143)
Other current assets	68	79
Other current liabilities	(604)	(266)
Change in pension and postretirement assets and liabilities, net	(312)	(362)
Net cash provided by operating activities	<u>797</u>	<u>1,138</u>
CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		
Capital expenditures	(721)	(909)
Proceeds from divestiture, net of disbursements	516	-
Proceeds from JDE coffee business transaction and divestiture, net of disbursements	-	275
Proceeds from sale of property, plant and equipment and other assets	77	113
Net cash used in investing activities	<u>(128)</u>	<u>(521)</u>
CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		
Issuances of commercial paper, maturities greater than 90 days	1,375	1,028
Repayments of commercial paper, maturities greater than 90 days	(1,681)	(337)
Net issuances of other short-term borrowings	2,266	1,533
Long-term debt proceeds	350	1,149
Long-term debt repaid	(1,468)	(1,757)
Repurchase of Common Stock	(1,786)	(1,727)
Dividends paid	(869)	(801)
Other	165	82
Net cash used in financing activities	<u>(1,648)</u>	<u>(830)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>82</u>	<u>29</u>
Cash and cash equivalents:		
Decrease	(897)	(184)
Balance at beginning of period	1,741	1,870
Balance at end of period	<u>\$ 844</u>	<u>\$ 1,686</u>

Mondelēz International, Inc. and Subsidiaries

Reconciliation of GAAP and Non-GAAP Financial Measures

(Unaudited)

The company reports its financial results in accordance with accounting principles generally accepted in the United States (“GAAP”). However, management believes that also presenting certain non-GAAP financial measures provides additional information to facilitate comparison of the company’s historical operating results and trends in its underlying operating results, and provides additional transparency on how the company evaluates its business. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the company’s performance. The company also believes that presenting these measures allows investors to view its performance using the same measures that the company uses in evaluating its financial and business performance and trends.

The company considers quantitative and qualitative factors in assessing whether to adjust for the impact of items that may be significant or that could affect an understanding of its ongoing financial and business performance and trends. The adjustments generally fall within the following categories: acquisition & divestiture activities, gains and losses on intangible asset sales and non-cash impairments, major program restructuring activities, constant currency and related adjustments, major program financing and hedging activities and other major items affecting comparability of operating results. See below for a description of adjustments to the company’s U.S. GAAP financial measures included herein.

Non-GAAP information should be considered as supplemental in nature and is not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with U.S. GAAP. In addition, the company’s non-GAAP financial measures may not be the same as or comparable to similar non-GAAP measures presented by other companies.

Because GAAP financial measures on a forward-looking basis are not accessible and reconciling information is not available without unreasonable effort, the company has not provided that information with regard to the non-GAAP financial measures in the company’s outlook. Refer to the Outlook section below for more details.

DEFINITIONS OF THE COMPANY'S NON-GAAP FINANCIAL MEASURES

The company's non-GAAP financial measures and corresponding metrics reflect how the company evaluates its operating results currently and provide improved comparability of operating results. As new events or circumstances arise, these definitions could change over time. When these definitions change, the company provides the updated definitions and presents the related non-GAAP historical results on a comparable basis ⁽¹⁾.

- “Organic Net Revenue” is defined as net revenues excluding the impacts of acquisitions; divestitures ⁽²⁾; the historical global coffee business ⁽³⁾; the historical Venezuelan operations; accounting calendar changes; and currency rate fluctuations ⁽⁴⁾. The company believes that Organic Net Revenue reflects the underlying growth from the ongoing activities of its business and provides improved comparability of results. The company also evaluates Organic Net Revenue growth from emerging markets and its Power Brands.
- “Adjusted Gross Profit” is defined as gross profit excluding the 2012-2014 Restructuring Program ⁽⁵⁾; the 2014-2018 Restructuring Program ⁽⁵⁾; acquisition integration costs; incremental costs associated with the Jacobs Douwe Egberts (“JDE”) coffee business transactions; the operating results of divestitures ⁽²⁾; the historical coffee business operating results ⁽³⁾; the historical Venezuelan operating results; and mark-to-market impacts from commodity and forecasted currency transaction derivative contracts ⁽⁶⁾. The company also presents “Adjusted Gross Profit margin,” which is subject to the same adjustments as Adjusted Gross Profit. The company believes that Adjusted Gross Profit and Adjusted Gross Profit margin provide improved comparability of underlying operating results. The company also evaluates growth in the company's Adjusted Gross Profit on a constant currency basis ⁽⁴⁾.
- “Adjusted Operating Income” and “Adjusted Segment Operating Income” are defined as operating income (or segment operating income) excluding the impacts of the 2012-2014 Restructuring Program ⁽⁵⁾; the 2014-2018 Restructuring Program ⁽⁵⁾; the Venezuela remeasurement and deconsolidation losses and historical operating results; gains or losses (including non-cash impairment charges) on goodwill and intangible assets; divestiture ⁽²⁾ or acquisition gains or losses and related integration and acquisition costs; the JDE coffee business transactions ⁽³⁾ gain and net incremental costs; the operating results of divestitures ⁽²⁾; the historical global coffee business operating results ⁽³⁾; mark-to-market impacts from commodity and forecasted currency transaction derivative contracts ⁽⁶⁾; equity method investment earnings historically reported within operating income ⁽⁷⁾; benefits from resolution of tax matters ⁽⁸⁾; and incremental expenses related to the malware incident. The company also presents “Adjusted Operating Income margin” and “Adjusted Segment Operating Income margin”, which are subject to the same adjustments as Adjusted Operating Income and Adjusted Segment Operating Income. The company believes that Adjusted Operating Income, Adjusted Segment Operating Income, Adjusted Operating Income margin and Adjusted Segment Operating Income margin provide improved comparability of underlying operating results. The company also evaluates growth in the company's Adjusted Operating Income and Adjusted Segment Operating Income on a constant currency basis ⁽⁴⁾.
- “Adjusted EPS” is defined as diluted EPS attributable to Mondelēz International from continuing operations excluding the impacts of the 2012-2014 Restructuring Program ⁽⁵⁾; the 2014-2018 Restructuring Program ⁽⁵⁾; the Venezuela remeasurement and deconsolidation losses and historical operating results; losses on debt extinguishment and related expenses; gains or losses (including non-cash impairment charges) on goodwill and intangible assets; divestiture ⁽²⁾ or acquisition gains or losses and related integration and acquisition costs; the JDE coffee business transactions ⁽³⁾ gain, transaction hedging gains or losses and net incremental costs; gain on the equity method investment exchange; net earnings from divestitures ⁽²⁾; mark-to-market impacts from commodity and forecasted currency transaction derivative contracts ⁽⁶⁾; gains or losses on interest rate swaps no longer designated as accounting cash flow hedges due to changed financing and hedging plans; benefits from resolution of tax matters ⁽⁸⁾; and incremental expenses related to the malware incident. Similarly, within Adjusted EPS, the company's equity method investment net earnings exclude its proportionate share of its investees' unusual or infrequent items ⁽⁹⁾, such as acquisition and divestiture-related costs and restructuring program costs. The tax impact of each of the items excluded from the company's GAAP results was computed based on the facts and tax assumptions associated with each item and such impacts have also been excluded from Adjusted EPS. The company believes that Adjusted EPS provides improved comparability of underlying operating results. The company also evaluates growth in the company's Adjusted EPS on a constant currency basis ⁽⁴⁾.
- “Free Cash Flow” is defined as net cash provided by operating activities less capital expenditures. As Free Cash Flow is the company's primary measure used to monitor its cash flow performance, the company believes this non-GAAP measure provides investors additional useful information when evaluating its cash from operating activities.

(1) When items no longer impact the company's current or future presentation of non-GAAP operating results, the company removes these items from its non-GAAP definitions. During 2017, the company added to the non-GAAP definitions the exclusion of benefits from the resolution of tax matters (see footnote (8) below) and the exclusion of incremental expenses related to the malware incident.

- (2) Divestitures include completed sales of businesses and exits of major product lines upon completion of a sale or licensing agreement. On August 17, 2017, the company signed two agreements with the Kraft Heinz Company (“KHC”) to terminate the licenses of certain KHC-owned brands used in the company’s grocery business within its Europe region and to transfer to KHC inventory and certain other assets. During the third and fourth quarter, the first and second transactions closed. Also on October 2, 2017, the company completed the sale of one of its equity method investments. As these transactions were substantially completed as of September 30, 2017, the company removed the historical results related to these transactions from its Organic Net Revenue and adjusted results for all periods presented.
- (3) The company continues to have an ongoing interest in the legacy coffee business it deconsolidated in 2015 as part of the JDE coffee business transactions. For historical periods prior to the July 15, 2015 coffee business deconsolidation, the company has reclassified any net revenue or operating income from the historical coffee business and included them where the coffee equity method investment earnings are presented within Adjusted EPS. As such, Organic Net Revenue, Adjusted Gross Profit and Adjusted Operating Income in all periods do not include the results of the company’s legacy coffee businesses, which are shown within Adjusted EPS only.
- (4) Constant currency operating results are calculated by dividing or multiplying, as appropriate, the current-period local currency operating results by the currency exchange rates used to translate the financial statements in the comparable prior-year period to determine what the current-period U.S. dollar operating results would have been if the currency exchange rate had not changed from the comparable prior-year period.
- (5) Non-GAAP adjustments related to the 2014-2018 Restructuring Program reflect costs incurred that relate to the objectives of the company’s program to transform its supply chain network and organizational structure. Costs that do not meet the program objectives are not reflected in the non-GAAP adjustments. Refer to the company’s Annual Report on Form 10-K for the year ended December 31, 2016 for more information on the 2012-2014 Restructuring Program.
- (6) During the third quarter of 2016, the company began to exclude unrealized gains and losses (mark-to-market impacts) from outstanding commodity and forecasted currency transaction derivatives from its non-GAAP earnings measures until such time that the related exposures impact its operating results. Since the company purchases commodity and forecasted currency contracts to mitigate price volatility primarily for inventory requirements in future periods, the company made this adjustment to remove the volatility of these future inventory purchases on current operating results to facilitate comparisons of its underlying operating performance across periods. The company also discontinued designating commodity and forecasted currency transaction derivatives for hedge accounting treatment. To facilitate comparisons of the company’s underlying operating results, the company has recast all historical non-GAAP earnings measures to exclude the mark-to-market impacts.
- (7) Historically, the company has recorded income from equity method investments within its operating income as these investments operated as extensions of the company’s base business. Beginning in the third quarter of 2015, the company began to record the earnings from its equity method investments in after-tax equity method investment earnings outside of operating income following the deconsolidation of its coffee business. Refer to Note 1, *Summary of Significant Accounting Policies*, in the company’s Annual Report on Form 10-K for the year ended December 31, 2016 for more information.
- (8) During the first nine months of 2017, the company recorded benefits from the settlement of a pre-acquisition Cadbury tax matter and from the reversal of tax liabilities in connection with the resolution of a Brazilian indirect tax matter.
- (9) The company has excluded its proportionate share of its equity method investees’ unusual or infrequent items in order to provide investors with a comparable view of its performance across periods. Although the company has shareholder rights and board representation commensurate with its ownership interests in its equity method investees and reviews the underlying operating results and unusual or infrequent items with them each reporting period, the company does not have direct control over the operations or resulting revenue and expenses. The company’s use of equity method investment net earnings on an adjusted basis is not intended to imply that the company has any such control. The company’s GAAP “diluted EPS attributable to Mondelēz International from continuing operations” includes all of its investees’ unusual and infrequent items.

See the attached schedules for supplemental financial data and corresponding reconciliations of the non-GAAP financial measures referred to above to the most comparable GAAP financial measures for the three months and nine months ended September 30, 2017.

SEGMENT OPERATING INCOME

The company uses segment operating income to evaluate segment performance and allocate resources. The company believes it is appropriate to disclose this measure to help investors analyze segment performance and trends. Segment operating income excludes unrealized gains and losses on hedging activities (which are a component of cost of sales), general corporate expenses (which are a component of selling, general and administrative expenses), amortization of intangibles and gains and losses on divestitures in all periods presented. The company excludes these items from segment operating income in order to provide better transparency of its segment operating results. Furthermore, the company centrally manages interest and other expense, net. Accordingly, the company does not present these items by segment because they are excluded from the segment profitability measure that management reviews.

ITEMS IMPACTING COMPARABILITY OF OPERATING RESULTS

The following information is provided to give qualitative and quantitative information related to items impacting comparability of operating results. The company determines which items to consider as “items impacting comparability” based on how management views the company’s business; makes financial, operating and planning decisions; and evaluates the company’s ongoing performance. In addition, the company discloses the impact of changes in currency exchange rates on the company’s financial results in order to reflect results on a constant currency basis.

Divestitures, Divestiture-related costs and Gains/(losses) on divestitures

On October 2, 2017, the company completed the sale of one of its equity method investments.

In connection with the 2012 spin-off of Kraft Foods Group, Inc. (now a part of KHC), Kraft Foods Group and the company each granted the other various licenses to use certain trademarks in connection with particular product categories in specified jurisdictions. On August 17, 2017, the company entered into two agreements with KHC to terminate the licenses of certain KHC-owned brands used in the company’s grocery business within its Europe region and to transfer to KHC inventory and certain other assets. On August 17, 2017, the first transaction closed, and on October 23, 2017, the second transaction closed.

On July 4, 2017, the company completed the sale of most of its grocery business in Australia and New Zealand to Bega Cheese Limited. The company recorded a pre-tax gain of \$247 million Australian dollars (\$187 million as of July 4, 2017) on the sale during the three months ended September 30, 2017. The company incurred divestiture-related costs of \$2 million in the six months ended June 30, 2017. The company also had a gain on a foreign currency hedge of \$2 million in the three months and a net loss of \$3 million in the nine months ended September 30, 2017.

On April 28, 2017, the company completed the sale of several manufacturing facilities in France and the sale or license of several local confectionery brands. The company recorded a \$3 million loss on the sale during the three months ended June 30, 2017. The company incurred divestiture-related costs of \$1 million in the three months and \$22 million in the nine months ended September 30, 2017 and no divestiture-related costs in the three months and \$84 million in the nine months ended September 30, 2016. The company recorded these costs within cost of sales and selling, general and administrative expenses of its Europe segment.

On December 1, 2016, the company completed the sale of a confectionery business in Costa Rica represented by a local brand.

Acquisitions

On November 2, 2016, the company purchased from Burton’s Biscuit Company certain intangibles, which included the license to manufacture, market and sell Cadbury-branded biscuits in additional key markets around the world, including in the United Kingdom, France, Ireland, North America and Saudi Arabia. On a constant currency basis, the purchase added incremental net revenues of \$20 million in the three months and \$50 million in the nine months ended September 30, 2017.

Acquisition integration costs

Within the company’s AMEA segment, in connection with the acquisition of a biscuit operation in Vietnam, the company recorded integration costs of \$1 million in the three months and \$2 million in the nine months ended September 30, 2017 and \$6 million in the nine months ended September 30, 2016. The company recorded these acquisition integration costs in selling, general and administrative expenses.

2014-2018 Restructuring Program

On May 6, 2014, the company's Board of Directors approved a \$3.5 billion restructuring program and up to \$2.2 billion of capital expenditures. On August 31, 2016, the company's Board of Directors approved a \$600 million reallocation between restructuring program cash costs and capital expenditures so that now the \$5.7 billion program consists of approximately \$4.1 billion of restructuring program costs (\$3.1 billion cash costs and \$1 billion non-cash costs) and up to \$1.6 billion of capital expenditures. The primary objective of the 2014-2018 Restructuring Program is to reduce the company's operating cost structure in both its supply chain and overhead costs. The program is intended primarily to cover severance as well as asset disposals and other manufacturing-related one-time costs. Since inception, the company has incurred total restructuring and related implementation charges of \$3.1 billion related to the 2014-2018 Restructuring Program. The company expects to incur the full \$4.1 billion of program charges by year-end 2018.

Restructuring costs

The company recorded restructuring charges of \$113 million in the three months and \$418 million in the nine months ended September 30, 2017 and \$187 million in the three months and \$480 million in the nine months ended September 30, 2016 within asset impairment and exit costs. These charges were for non-cash asset write-downs (including accelerated depreciation and asset impairments), severance and other related costs.

Implementation costs

Implementation costs are directly attributable to restructuring activities; however, they do not qualify for special accounting treatment as exit or disposal activities. Implementation costs primarily relate to reorganizing the company's operations and facilities in connection with its supply chain reinvention program and other identified productivity and cost saving initiatives. The costs include incremental expenses related to the closure of facilities, costs to terminate certain contracts and the simplification of the company's information systems. The company recorded implementation costs of \$62 million in the three months and \$179 million in the nine months ended September 30, 2017 and \$114 million in the three months and \$286 million in the nine months ended September 30, 2016. The company recorded these costs within cost of sales and general corporate expense within selling, general and administrative expenses.

Gain on equity method investment exchange

On March 3, 2016, a subsidiary of Acorn Holdings B.V. ("AHBV") completed the \$13.9 billion acquisition of all of the outstanding common stock of Keurig Green Mountain, Inc. ("Keurig") through a merger transaction. On March 7, 2016, the company exchanged with a subsidiary of AHBV a portion of the company's equity interest in JDE with a carrying value of €1.7 billion (approximately \$2.0 billion as of March 7, 2016) for an interest in Keurig with a fair value of \$2.0 billion based on the merger consideration per share for Keurig. The company recorded the difference between the fair value of Keurig and its basis in JDE shares as a \$43 million gain on the equity method investment exchange in March 2016. Immediately following the exchange, the company's ownership interest in JDE was 26.5% and its interest in Keurig was 24.2%. The company accounts for its investments in JDE and Keurig under the equity method and recognizes its share of their earnings within equity method investment earnings and its share of their dividends within the company's cash flows.

Equity method investee adjustments

Within Adjusted EPS, the company's equity method investment net earnings exclude its proportionate share of its investees' unusual or infrequent items, such as acquisition and divestiture-related costs and restructuring program costs.

Mark-to-market impacts from commodity and currency derivative contracts

During the third quarter of 2016, the company began to exclude unrealized gains and losses (mark-to-market impacts) from outstanding commodity and forecasted currency transaction derivatives from its non-GAAP earnings measures until such time that the related exposures impact its operating results. To facilitate comparisons of its underlying operating results, the company has recast all historical non-GAAP earnings measures to exclude the mark-to-market impacts.

The company recorded net unrealized gains on commodity and forecasted currency transaction derivatives of \$28 million in the three months and net unrealized losses of \$69 million in the nine months ended September 30, 2017 and net unrealized losses of \$12 million in the three months and \$49 million in the nine months ended September 30, 2016.

Loss related to interest rate swaps

The company recognized pre-tax losses of \$97 million in the three months ended March 31, 2016, within interest and other expense, net related to certain U.S. dollar interest rate swaps that the company no longer designated as accounting cash flow hedges due to a change in financing plans.

Loss on debt extinguishment

On April 12, 2017, the company discharged \$488 million of its 6.500% U.S. dollar-denominated debt. The company paid \$504 million, representing principal as well as past and future interest accruals from February 2017 through the August 2017 maturity date. The company recorded an \$11 million loss on debt extinguishment within interest expense.

Intangible assets gains and losses

Impairment charges

During the company's annual testing of non-amortizable intangible assets, the company recorded \$70 million of impairment charges in the third quarter of 2017 related to five trademarks. The impairments arose due to lower than expected growth in part driven by decisions to redirect support from these trademarks to other regional and global brands. The company recorded charges related to candy and gum trademarks of \$52 million in AMEA, \$11 million in Europe, \$5 million in Latin America and \$2 million in North America. In addition, during the third quarter of 2017, the company recorded a \$1 million impairment related to a transaction.

During the second quarter of 2017, the company recorded a \$38 million intangible asset impairment charge resulting from a category decline and lower than expected product growth related to a gum trademark in its North America segment.

During the three months ended September 30, 2016, the company discontinued one biscuit product that resulted in a \$4 million intangible asset impairment charge in its Europe segment.

On June 30, 2016, in connection with the company's global supply chain reinvention initiatives, the company made a determination to discontinue manufacturing a candy product that resulted in a \$7 million impairment charge in its North America segment.

On March 31, 2016, in connection with the sale of a confectionery business in France, the company recorded a \$14 million impairment charge for a gum & candy trademark as a portion of its carrying value would not be recoverable based on future cash flows expected under a planned license agreement with the buyer. In May 2016, the company recorded an additional \$5 million impairment charge for a candy trademark to reduce the overall net assets to the estimated net sales proceeds after transaction costs.

Gain on sale of an intangible asset

On August 26, 2016, the company recorded a \$7 million gain for the sale of a U.S.-owned biscuit trademark. The gain was recorded within selling, general and administrative expenses of its North America segment.

On May 2, 2016, the company completed the sale of certain local biscuit brands in Finland as part of the company's strategic decisions to exit select small and local brands and shift investment toward its Power Brands. The sales price was €14 million (\$16 million as of May 2, 2016) and the company divested \$8 million of indefinite lived intangible assets and less than \$1 million of other assets. The company received cash proceeds of €12 million (\$14 million as of May 2, 2016) and another €2 million (\$2 million as of October 31, 2016) following the completion of post-closing requirements. The additional \$2 million of consideration increased the pre-tax gain of \$6 million recorded in the second quarter of 2016 to a total 2016 pre-tax gain of \$8 million. This transaction was recorded within selling, general and administrative expenses of the company's Europe segment.

Incremental expenses related to the malware incident

On June 27, 2017, a global malware incident impacted the company's business. The malware affected a significant portion of the company's global sales, distribution and financial networks. During the last four days of the second quarter and early third quarter, the company executed business continuity and contingency plans to contain the impact and minimize the damages and restore its systems environment. The company does not expect, nor to date has it found, any instances of Company or personal data released externally. The company restored its main operating systems and processes and continues to further enhance the security of its systems.

For the second quarter, the company estimates that the malware incident had a negative impact of 2.3% on its net revenue growth and 2.4% on its Organic Net Revenue growth. While the company is pleased with its recovery

efforts following the malware incident, restoring North America systems has taken longer, resulting in additional lost revenue for the year. As a result, for the third quarter, the company estimates that the recovery of shipments delayed due to the malware incident had a net favorable impact of 0.6% on its net revenue and Organic Net Revenue growth. The company also incurred incremental expenses of \$47 million as a result of the incident in the three months and \$54 million in the nine months ended September 30, 2017. The company expects to incur additional incremental expenses related to the incident and recovery process during the fourth quarter of 2017.

Benefit from resolution of tax matters

During the first quarter of 2017, the Brazilian Supreme Court (the “Court”) ruled against the Brazilian tax authorities in a leading case related to the computation of certain indirect (non-income) taxes. The Court ruled that the indirect tax base should not include a value-added tax known as “ICMS”. By removing the ICMS from the tax base, the Court effectively eliminated a “tax on a tax.” The company’s Brazilian subsidiary had received an injunction against making payments for the “tax on a tax” in 2008 and since that time until December 2016, the company had accrued for this portion of the tax each quarter in the event that the tax was reaffirmed by the Brazilian courts. On September 30, 2017, based on legal advice and the publication of the Court’s decision related to this case, the company determined that the likelihood that the increased tax base would be reinstated and assessed against the company was remote. Accordingly, the company reversed its accrual of 667 million Brazilian reais, or \$212 million as of September 30, 2017, of which, \$153 million was recorded within selling, general and administrative expenses and \$59 million was recorded within interest and other expense, net. The Brazilian tax authority may appeal the Court’s decision, seeking potential clarification or adjustment of the terms of enforcement. The company continues to monitor developments in this matter and currently does not expect a material future impact on its financial statements.

As part of the company’s 2010 Cadbury acquisition, the company became the responsible party for tax matters under a February 2, 2006 dated Deed of Tax Covenant between the Cadbury Schweppes PLC and related entities (“Schweppes”) and Black Lion Beverages and related entities. The tax matters included an ongoing transfer pricing case with the Spanish tax authorities related to the Schweppes businesses Cadbury divested prior to the company’s acquisition of Cadbury. During the first quarter of 2017, the Spanish Supreme Court decided the case in the company’s favor. As a result of the final ruling, during the first quarter of 2017, the company recorded a favorable earnings impact of \$46 million in selling, general and administrative expenses and \$12 million in interest and other expense, net, for a total pre-tax impact of \$58 million due to the reversal of Cadbury-related accrued liabilities related to this matter. In the third quarter of 2017, we recorded additional income of \$3 million related to a bank guarantee release within selling, general and administrative expenses and interest and other expense, net.

Constant currency

Management evaluates the operating performance of the company and its international subsidiaries on a constant currency basis. The company determines its constant currency operating results by dividing or multiplying, as appropriate, the current period local currency operating results by the currency exchange rates used to translate the company’s financial statements in the comparable prior-year period to determine what the current period U.S. dollar operating results would have been if the currency exchange rate had not changed from the comparable prior-year period.

OUTLOOK

The company’s outlook for 2017 Organic Net Revenue growth, Adjusted Operating Income margin, Adjusted EPS growth on a constant currency basis and Free Cash Flow are non-GAAP financial measures that exclude or otherwise adjust for items impacting comparability of financial results such as the impact of changes in foreign currency exchange rates, restructuring activities, acquisitions and divestitures. The company is not able to reconcile its full year 2017 projected Organic Net Revenue growth to its full year 2017 projected reported net revenue growth because the company is unable to predict the 2017 impact of foreign exchange due to the unpredictability of future changes in foreign exchange rates, which could be material as a significant portion of the company’s operations are outside the U.S. The company is not able to reconcile its full year 2017 projected Adjusted Operating Income margin to its full year 2017 projected reported operating income margin because the company is unable to predict the timing of its Restructuring Program costs, mark-to-market impacts from commodity and forecasted currency transaction derivative contracts and impacts from potential acquisitions or divestitures. The company is not able to reconcile its full year 2017 projected Adjusted EPS growth on a constant currency basis to its full year 2017 projected reported diluted EPS growth because the company is unable to predict the timing of its Restructuring Program costs, mark-to-market impacts from commodity and forecasted currency forecasted derivative contracts, impacts from potential acquisitions or divestitures as well as the impact of foreign exchange due to the unpredictability of future changes in

foreign exchange rates, which could be material as a significant portion of the company's operations are outside the U.S. The company is not able to reconcile its full year 2017 projected Free Cash Flow to its full year 2017 projected net cash from operating activities because the company is unable to predict the timing and amount of capital expenditures impacting cash flow. Therefore, because of the uncertainty and variability of the nature and amount of future adjustments, which could be significant, the company is unable to provide a reconciliation of these measures without unreasonable effort.

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Net Revenues
(in millions of U.S. dollars)
(Unaudited)

	Latin America	AMEA	Europe	North America	Mondelēz International
For the Three Months Ended September 30, 2017					
Reported (GAAP)	\$ 908	\$ 1,405	\$ 2,442	\$ 1,775	\$ 6,530
Divestitures	-	-	(14)	-	(14)
Acquisition	-	-	(20)	-	(20)
Currency	5	18	(93)	(10)	(80)
Organic (Non-GAAP)	\$ 913	\$ 1,423	\$ 2,315	\$ 1,765	\$ 6,416
For the Three Months Ended September 30, 2016					
Reported (GAAP)	\$ 868	\$ 1,443	\$ 2,332	\$ 1,753	\$ 6,396
Divestitures	(2)	(60)	(89)	(5)	(156)
Organic (Non-GAAP)	\$ 866	\$ 1,383	\$ 2,243	\$ 1,748	\$ 6,240
% Change					
Reported (GAAP)	4.6 %	(2.6)%	4.7 %	1.3 %	2.1 %
Divestitures	0.2 pp	4.2 pp	3.5 pp	0.2 pp	2.3 pp
Acquisition	-	-	(0.9)	-	(0.3)
Currency	0.6	1.3	(4.1)	(0.5)	(1.3)
Organic (Non-GAAP)	5.4 %	2.9 %	3.2 %	1.0 %	2.8 %
Vol/Mix	(2.9)pp	(0.5)pp	4.6 pp	0.7 pp	1.3 pp
Pricing	8.3	3.4	(1.4)	0.3	1.5

	Latin America	AMEA	Europe	North America	Mondelēz International
For the Nine Months Ended September 30, 2017					
Reported (GAAP)	\$ 2,666	\$ 4,290	\$ 6,978	\$ 4,996	\$ 18,930
Divestitures	-	(114)	(135)	-	(249)
Acquisition	-	-	(50)	-	(50)
Currency	(71)	107	106	(7)	135
Organic (Non-GAAP)	\$ 2,595	\$ 4,283	\$ 6,899	\$ 4,989	\$ 18,766
For the Nine Months Ended September 30, 2016					
Reported (GAAP)	\$ 2,528	\$ 4,404	\$ 7,073	\$ 5,148	\$ 19,153
Divestitures	(6)	(174)	(257)	(5)	(442)
Organic (Non-GAAP)	\$ 2,522	\$ 4,230	\$ 6,816	\$ 5,143	\$ 18,711
% Change					
Reported (GAAP)	5.5 %	(2.6)%	(1.3)%	(3.0)%	(1.2)%
Divestitures	0.2 pp	1.3 pp	1.7 pp	0.1 pp	1.0 pp
Acquisition	-	-	(0.8)	-	(0.3)
Currency	(2.8)	2.6	1.6	(0.1)	0.8
Organic (Non-GAAP)	2.9 %	1.3 %	1.2 %	(3.0)%	0.3 %
Vol/Mix	(4.5)pp	(1.3)pp	1.8 pp	(2.5)pp	(0.9)pp
Pricing	7.4	2.6	(0.6)	(0.5)	1.2

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Net Revenues - Brands and Markets
(in millions of U.S. dollars)
(Unaudited)

	Power Brands	Non-Power Brands	Mondelēz International	Emerging Markets	Developed Markets	Mondelēz International
For the Three Months Ended September 30, 2017						
Reported (GAAP)	\$ 4,771	\$ 1,759	\$ 6,530	\$ 2,445	\$ 4,085	\$ 6,530
Divestitures	-	(14)	(14)	-	(14)	(14)
Acquisition	(20)	-	(20)	-	(20)	(20)
Currency	(62)	(18)	(80)	4	(84)	(80)
Organic (Non-GAAP)	\$ 4,689	\$ 1,727	\$ 6,416	\$ 2,449	\$ 3,967	\$ 6,416
For the Three Months Ended September 30, 2016						
Reported (GAAP)	\$ 4,517	\$ 1,879	\$ 6,396	\$ 2,340	\$ 4,056	\$ 6,396
Divestitures	-	(156)	(156)	(4)	(152)	(156)
Organic (Non-GAAP)	\$ 4,517	\$ 1,723	\$ 6,240	\$ 2,336	\$ 3,904	\$ 6,240
% Change						
Reported (GAAP)	5.6 %	(6.4)%	2.1 %	4.5 %	0.7 %	2.1 %
Divestitures	- pp	7.7 pp	2.3 pp	0.2 pp	3.6 pp	2.3 pp
Acquisition	(0.5)	-	(0.3)	-	(0.5)	(0.3)
Currency	(1.3)	(1.1)	(1.3)	0.1	(2.2)	(1.3)
Organic (Non-GAAP)	3.8 %	0.2 %	2.8 %	4.8 %	1.6 %	2.8 %

	Power Brands	Non-Power Brands	Mondelēz International	Emerging Markets	Developed Markets	Mondelēz International
For the Nine Months Ended September 30, 2017						
Reported (GAAP)	\$ 13,784	\$ 5,146	\$ 18,930	\$ 7,151	\$ 11,779	\$ 18,930
Divestitures	-	(249)	(249)	-	(249)	(249)
Acquisition	(50)	-	(50)	-	(50)	(50)
Currency	63	72	135	12	123	135
Organic (Non-GAAP)	\$ 13,797	\$ 4,969	\$ 18,766	\$ 7,163	\$ 11,603	\$ 18,766
For the Nine Months Ended September 30, 2016						
Reported (GAAP)	\$ 13,587	\$ 5,566	\$ 19,153	\$ 6,982	\$ 12,171	\$ 19,153
Divestitures	-	(442)	(442)	(8)	(434)	(442)
Organic (Non-GAAP)	\$ 13,587	\$ 5,124	\$ 18,711	\$ 6,974	\$ 11,737	\$ 18,711
% Change						
Reported (GAAP)	1.4 %	(7.5)%	(1.2)%	2.4 %	(3.2)%	(1.2)%
Divestitures	- pp	3.1 pp	1.0 pp	0.1 pp	1.4 pp	1.0 pp
Acquisition	(0.4)	-	(0.3)	-	(0.4)	(0.3)
Currency	0.5	1.4	0.8	0.2	1.1	0.8
Organic (Non-GAAP)	1.5 %	(3.0)%	0.3 %	2.7 %	(1.1)%	0.3 %

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Gross Profit / Operating Income
(in millions of U.S. dollars)
(Unaudited)

For the Three Months Ended September 30, 2017

	<u>Net Revenues</u>	<u>Gross Profit</u>	<u>Gross Profit Margin</u>	<u>Operating Income</u>	<u>Operating Income Margin</u>
Reported (GAAP)	\$ 6,530	\$ 2,552	39.1 %	\$ 1,181	18.1 %
2014-2018 Restructuring Program costs	-	18		175	
Acquisition integration costs	-	-		1	
Intangible asset impairment charges	-	-		71	
Benefits from resolution of tax matters	-	-		(155)	
Malware incident incremental expenses	-	39		47	
Operating income from divestitures	(14)	(4)		(4)	
Gain on divestiture	-	-		(187)	
Mark-to-market (gains)/losses from derivatives	-	(28)		(28)	
Rounding	-	-		(1)	
Adjusted (Non-GAAP)	<u>\$ 6,516</u>	<u>\$ 2,577</u>	39.5 %	<u>\$ 1,100</u>	16.9 %
Currency		(30)		(20)	
Adjusted @ Constant FX (Non-GAAP)		<u>\$ 2,547</u>		<u>\$ 1,080</u>	

For the Three Months Ended September 30, 2016

	<u>Net Revenues</u>	<u>Gross Profit</u>	<u>Gross Profit Margin</u>	<u>Operating Income</u>	<u>Operating Income Margin</u>
Reported (GAAP)	\$ 6,396	\$ 2,488	38.9 %	\$ 702	11.0 %
2014-2018 Restructuring Program costs	-	51		301	
Gain on sale of intangible asset	-	-		(7)	
Intangible asset impairment charges	-	-		4	
(Income)/costs associated with the JDE coffee business transactions	-	-		(2)	
Operating income from divestitures	(156)	(46)		(37)	
Mark-to-market (gains)/losses from derivatives	-	12		12	
Rounding	-	-		1	
Adjusted (Non-GAAP)	<u>\$ 6,240</u>	<u>\$ 2,505</u>	40.1 %	<u>\$ 974</u>	15.6 %

	<u>Gross Profit</u>	<u>Operating Income</u>
% Change - Reported (GAAP)	2.6 %	68.2 %
% Change - Adjusted (Non-GAAP)	2.9 %	12.9 %
% Change - Adjusted @ Constant FX (Non-GAAP)	1.7 %	10.9 %

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Gross Profit / Operating Income
(in millions of U.S. dollars)
(Unaudited)

For the Nine Months Ended September 30, 2017

	Net Revenues	Gross Profit	Gross Profit Margin	Operating Income	Operating Income Margin
Reported (GAAP)	\$ 18,930	\$ 7,401	39.1 %	\$ 2,662	14.1 %
2014-2018 Restructuring Program costs	-	39		597	
Acquisition integration costs	-	-		2	
Intangible asset impairment charges	-	-		109	
Benefits from resolution of tax matters	-	-		(201)	
Malware incident incremental expenses	-	43		54	
Operating income from divestitures	(249)	(70)		(55)	
Divestiture-related costs	-	3		23	
Net gain on divestitures	-	-		(184)	
Mark-to-market (gains)/losses from derivatives	-	69		69	
Rounding	-	-		(1)	
Adjusted (Non-GAAP)	<u>\$ 18,681</u>	<u>\$ 7,485</u>	40.1 %	<u>\$ 3,075</u>	16.5 %
Currency		52		53	
Adjusted @ Constant FX (Non-GAAP)		<u>\$ 7,537</u>		<u>\$ 3,128</u>	

For the Nine Months Ended September 30, 2016

	Net Revenues	Gross Profit	Gross Profit Margin	Operating Income	Operating Income Margin
Reported (GAAP)	\$ 19,153	\$ 7,539	39.4 %	\$ 2,062	10.8 %
2014-2018 Restructuring Program costs	-	84		766	
Acquisition integration costs	-	-		6	
Gain on sale of intangible asset	-	-		(13)	
Intangible asset impairment charges	-	-		30	
(Income)/costs associated with the JDE coffee business transactions	-	-		(2)	
Operating income from divestitures	(442)	(129)		(99)	
Divestiture-related costs	-	8		84	
Mark-to-market (gains)/losses from derivatives	-	49		49	
Adjusted (Non-GAAP)	<u>\$ 18,711</u>	<u>\$ 7,551</u>	40.4 %	<u>\$ 2,883</u>	15.4 %

	Gross Profit	Operating Income
% Change - Reported (GAAP)	(1.8)%	29.1 %
% Change - Adjusted (Non-GAAP)	(0.9)%	6.7 %
% Change - Adjusted @ Constant FX (Non-GAAP)	(0.2)%	8.5 %

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Net Earnings
(in millions of U.S. dollars and shares, except per share data)
(Unaudited)

For the Three Months Ended September 30, 2017

	Operating Income	Interest and other expense, net	Earnings before income taxes	Income taxes ⁽¹⁾	Effective tax rate	Equity Method Investment Net Losses / (Earnings)	Gain on Equity Method Investment Exchange	Non-controlling interest	Net Earnings attributable to Mondelēz International	Diluted EPS attributable to Mondelēz International
Reported (GAAP)	\$ 1,181	\$ 19	\$ 1,162	\$ 272	23.4 %	\$ (103)	\$ -	\$ 1	\$ 992	\$ 0.65
2014-2018 Restructuring Program costs	175	-	175	49		-	-	-	126	0.08
Acquisition integration costs	1	-	1	-		-	-	-	1	-
Intangible asset impairment charges	71	-	71	16		-	-	-	55	0.04
Benefits from resolution of tax matters	(155)	60	(215)	(72)		-	-	-	(143)	(0.09)
Malware incident incremental expenses	47	-	47	15		-	-	-	32	0.02
Net earnings from divestitures	(4)	-	(4)	1		2	-	-	(7)	-
Divestiture-related costs	-	2	(2)	(18)		-	-	-	16	0.01
Gain on divestiture	(187)	-	(187)	(8)		-	-	-	(179)	(0.12)
Equity method investee acquisition-related and other adjustments	-	-	-	2		(3)	-	-	1	-
Mark-to-market (gains)/losses from derivatives	(28)	-	(28)	(3)		-	-	-	(25)	(0.02)
Rounding	(1)	-	(1)	-		-	-	-	(1)	-
Adjusted (Non-GAAP)	\$ 1,100	\$ 81	\$ 1,019	\$ 254	24.9 %	\$ (104)	\$ -	\$ 1	\$ 868	\$ 0.57
Currency									(12)	(0.01)
Adjusted @ Constant FX (Non-GAAP)									\$ 856	\$ 0.56

Diluted Average Shares Outstanding

1,524

For the Three Months Ended September 30, 2016

	Operating Income	Interest and other expense, net	Earnings before income taxes	Income taxes ⁽¹⁾	Effective tax rate	Equity Method Investment Net Losses / (Earnings)	Gain on Equity Method Investment Exchange	Non-controlling interest	Net Earnings attributable to Mondelēz International	Diluted EPS attributable to Mondelēz International
Reported (GAAP)	\$ 702	\$ 145	\$ 557	\$ 40	7.2 %	\$ (31)	\$ -	\$ -	\$ 548	\$ 0.35
2014-2018 Restructuring Program costs	301	-	301	82		-	-	-	219	0.14
Gain on sale of intangible asset	(7)	-	(7)	(1)		-	-	-	(6)	-
Intangible asset impairment charges	4	-	4	-		-	-	-	4	-
(Income)/costs associated with the JDE coffee business transactions	(2)	-	(2)	(1)		-	-	-	(1)	-
Net earnings from divestitures	(37)	-	(37)	(11)		4	-	-	(30)	(0.02)
Equity method investee acquisition-related and other adjustments	-	-	-	4		(53)	-	-	49	0.03
Mark-to-market (gains)/losses from derivatives	12	-	12	4		-	-	-	8	-
Rounding	1	-	1	-		-	-	-	1	-
Adjusted (Non-GAAP)	\$ 974	\$ 145	\$ 829	\$ 117	14.1 %	\$ (80)	\$ -	\$ -	\$ 792	\$ 0.50

Diluted Average Shares Outstanding

1,576

⁽¹⁾ Taxes were computed for each of the items excluded from the company's GAAP results based on the facts and tax assumptions associated with each item.

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Net Earnings
(in millions of U.S. dollars and shares, except per share data)
(Unaudited)

For the Nine Months Ended September 30, 2017

	Operating Income	Interest and other expense, net	Earnings before income taxes	Income taxes ⁽¹⁾	Effective tax rate	Equity Method Investment Net Losses / (Earnings)	Gain on Equity Method Investment Exchange	Non-controlling interest	Net Earnings attributable to Mondelēz International	Diluted EPS attributable to Mondelēz International
Reported (GAAP)	\$ 2,662	\$ 262	\$ 2,400	\$ 510	21.3 %	\$ (236)	\$ -	\$ 6	\$ 2,120	\$ 1.38
2014-2018 Restructuring Program costs	597	-	597	155	-	-	-	-	442	0.29
Acquisition integration costs	2	-	2	-	-	-	-	-	2	-
Intangible asset impairment charges	109	-	109	30	-	-	-	-	79	0.05
Benefits from resolution of tax matters	(201)	72	(273)	(72)	-	-	-	-	(201)	(0.13)
Loss on debt extinguishment	-	(11)	11	4	-	-	-	-	7	0.01
Malware incident incremental expenses	54	-	54	17	-	-	-	-	37	0.02
Net earnings from divestitures	(55)	-	(55)	(13)	-	6	-	-	(48)	(0.03)
Divestiture-related costs	23	(3)	26	(13)	-	-	-	-	39	0.02
Net gain on divestitures	(184)	-	(184)	(12)	-	-	-	-	(172)	(0.11)
Equity method investee acquisition-related and other adjustments	-	-	-	8	-	(46)	-	-	38	0.03
Mark-to-market (gains)/losses from derivatives	69	-	69	-	-	-	-	-	69	0.04
Rounding	(1)	-	(1)	-	-	-	-	-	(1)	-
Adjusted (Non-GAAP)	\$ 3,075	\$ 320	\$ 2,755	\$ 614	22.3 %	\$ (276)	\$ -	\$ 6	\$ 2,411	\$ 1.57
Currency									40	0.02
Adjusted @ Constant FX (Non-GAAP)									\$ 2,451	\$ 1.59

Diluted Average Shares Outstanding

1,537

For the Nine Months Ended September 30, 2016

	Operating Income	Interest and other expense, net	Earnings before income taxes	Income taxes ⁽¹⁾	Effective tax rate	Equity Method Investment Net Losses / (Earnings)	Gain on Equity Method Investment Exchange	Non-controlling interest	Net Earnings attributable to Mondelēz International	Diluted EPS attributable to Mondelēz International
Reported (GAAP)	\$ 2,062	\$ 540	\$ 1,522	\$ 207	13.6 %	\$ (218)	\$ (43)	\$ 10	\$ 1,566	\$ 0.99
2014-2018 Restructuring Program costs	766	-	766	199	-	-	-	-	567	0.36
Acquisition integration costs	6	-	6	-	-	-	-	-	6	-
Gain on sale of intangible asset	(13)	-	(13)	(2)	-	-	-	-	(11)	-
Intangible asset impairment charges	30	-	30	8	-	-	-	-	22	0.01
(Income)/costs associated with the JDE coffee business transactions	(2)	-	(2)	(3)	-	-	-	-	1	-
Loss related to interest rate swaps	-	(97)	97	35	-	-	-	-	62	0.04
Net earnings from divestitures	(99)	-	(99)	(26)	-	10	-	-	(83)	(0.05)
Divestiture-related costs	84	-	84	20	-	-	-	-	64	0.04
Equity method investee acquisition-related and other adjustments	-	-	-	5	-	(47)	-	-	42	0.03
Gain on equity method investment exchange	-	-	-	(2)	-	-	43	-	(41)	(0.03)
Mark-to-market (gains)/losses from derivatives	49	-	49	6	-	-	-	-	43	0.03
Adjusted (Non-GAAP)	\$ 2,883	\$ 443	\$ 2,440	\$ 447	18.3 %	\$ (255)	\$ -	\$ 10	\$ 2,238	\$ 1.42

Diluted Average Shares Outstanding

1,579

⁽¹⁾ Taxes were computed for each of the items excluded from the company's GAAP results based on the facts and tax assumptions associated with each item.

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Diluted EPS
(Unaudited)

	For the Three Months Ended September 30,			
	2017	2016	\$ Change	% Change
Diluted EPS attributable to Mondelēz International (GAAP)	\$ 0.65	\$ 0.35	\$ 0.30	85.7 %
2014-2018 Restructuring Program costs	0.08	0.14	(0.06)	
Intangible asset impairment charges	0.04	-	0.04	
Benefits from resolution of tax matters	(0.09)	-	(0.09)	
Malware incident incremental expenses	0.02	-	0.02	
Net earnings from divestitures	-	(0.02)	0.02	
Divestiture-related costs	0.01	-	0.01	
Gain on divestiture	(0.12)	-	(0.12)	
Equity method investee acquisition-related and other adjustments	-	0.03	(0.03)	
Mark-to-market (gains)/losses from derivatives	(0.02)	-	(0.02)	
Adjusted EPS (Non-GAAP)	\$ 0.57	\$ 0.50	\$ 0.07	14.0 %
Impact of favorable currency	(0.01)	-	(0.01)	
Adjusted EPS @ Constant FX (Non-GAAP)	\$ 0.56	\$ 0.50	\$ 0.06	12.0 %
<u>Adjusted EPS @ Constant FX - Key Drivers</u>				
Increase in operations			\$ 0.08	
Increase in equity method investment net earnings			0.01	
Prior year VAT-related settlement			(0.02)	
Change in interest and other expense, net			0.03	
Change in shares outstanding			0.02	
Change in income taxes			(0.06)	
			\$ 0.06	

	For the Nine Months Ended September 30,			
	2017	2016	\$ Change	% Change
Diluted EPS attributable to Mondelēz International (GAAP)	\$ 1.38	\$ 0.99	\$ 0.39	39.4 %
2014-2018 Restructuring Program costs	0.29	0.36	(0.07)	
Intangible asset impairment charges	0.05	0.01	0.04	
Benefits from resolution of tax matters	(0.13)	-	(0.13)	
Loss on debt extinguishment	0.01	-	0.01	
Loss related to interest rate swaps	-	0.04	(0.04)	
Malware incident incremental expenses	0.02	-	0.02	
Net earnings from divestitures	(0.03)	(0.05)	0.02	
Divestiture-related costs	0.02	0.04	(0.02)	
Net gain on divestitures	(0.11)	-	(0.11)	
Equity method investee acquisition-related and other adjustments	0.03	0.03	-	
Gain on equity method investment exchange	-	(0.03)	0.03	
Mark-to-market (gains)/losses from derivatives	0.04	0.03	0.01	
Adjusted EPS (Non-GAAP)	\$ 1.57	\$ 1.42	\$ 0.15	10.6 %
Impact of unfavorable currency	0.02	-	0.02	
Adjusted EPS @ Constant FX (Non-GAAP)	\$ 1.59	\$ 1.42	\$ 0.17	12.0 %
<u>Adjusted EPS @ Constant FX - Key Drivers</u>				
Increase in operations			\$ 0.16	
Increase in equity method investment net earnings			0.01	
Property insurance recovery			0.01	
Prior year gains on sales of property			(0.02)	
Prior year VAT-related settlement			(0.02)	
Change in interest and other expense, net			0.06	
Change in shares outstanding			0.04	
Change in income taxes			(0.07)	
			\$ 0.17	

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Segment Data
(in millions of U.S. dollars)
(Unaudited)

For the Three Months Ended September 30, 2017

	Latin America	AMEA	Europe	North America	Unrealized G/(L) on Hedging Activities	General Corporate Expenses	Amortization of Intangibles	Other Items	Mondelēz International
Net Revenue									
Reported (GAAP)	\$ 908	\$ 1,405	\$ 2,442	\$ 1,775	\$ -	\$ -	\$ -	\$ -	\$ 6,530
Divestitures	-	-	(14)	-	-	-	-	-	(14)
Adjusted (Non-GAAP)	\$ 908	\$ 1,405	\$ 2,428	\$ 1,775	\$ -	\$ -	\$ -	\$ -	\$ 6,516
Operating Income									
Reported (GAAP)	\$ 255	\$ 82	\$ 410	\$ 318	\$ 28	\$ (54)	\$ (45)	\$ 187	\$ 1,181
2014-2018 Restructuring Program costs	53	43	48	20	-	11	-	-	175
Acquisition integration costs	-	1	-	-	-	-	-	-	1
Intangible asset impairment charges	5	53	11	3	-	(1)	-	-	71
Benefits from resolution of tax matters	(153)	-	(2)	-	-	-	-	-	(155)
Malware incident incremental expenses	1	2	9	34	-	1	-	-	47
Operating income from divestitures	-	-	(4)	-	-	-	-	-	(4)
Divestiture-related costs	-	2	(2)	-	-	-	-	-	-
Gain on divestiture	-	-	-	-	-	-	-	(187)	(187)
Mark-to-market (gains)/losses from derivatives	-	-	-	-	(28)	-	-	-	(28)
Rounding	-	-	-	-	-	(1)	-	-	(1)
Adjusted (Non-GAAP)	\$ 161	\$ 183	\$ 470	\$ 375	\$ -	\$ (44)	\$ (45)	\$ -	\$ 1,100
Currency	(2)	2	(21)	-	-	(1)	1	-	(20)
Adjusted @ Constant FX (Non-GAAP)	\$ 159	\$ 185	\$ 449	\$ 375	\$ -	\$ (45)	\$ (44)	\$ -	\$ 1,080
% Change - Reported (GAAP)	177.2 %	(50.3)%	29.7 %	16.1 %	n/m	39.3 %	(2.3)%	n/m	68.2 %
% Change - Adjusted (Non-GAAP)	21.1 %	8.3 %	12.2 %	1.6 %	n/m	38.9 %	(2.3)%	n/m	12.9 %
% Change - Adjusted @ Constant FX (Non-GAAP)	19.5 %	9.5 %	7.2 %	1.6 %	n/m	37.5 %	0.0 %	n/m	10.9 %
Operating Income Margin									
Reported %	28.1 %	5.8 %	16.8 %	17.9 %					18.1 %
Reported pp change	17.5 pp	(5.6)pp	3.2 pp	2.3 pp					7.1 pp
Adjusted %	17.7 %	13.0 %	19.4 %	21.1 %					16.9 %
Adjusted pp change	2.3 pp	0.8 pp	0.7 pp	- pp					1.3 pp

For the Three Months Ended September 30, 2016

	Latin America	AMEA	Europe	North America	Unrealized G/(L) on Hedging Activities	General Corporate Expenses	Amortization of Intangibles	Other Items	Mondelēz International
Net Revenue									
Reported (GAAP)	\$ 868	\$ 1,443	\$ 2,332	\$ 1,753	\$ -	\$ -	\$ -	\$ -	\$ 6,396
Divestitures	(2)	(60)	(89)	(5)	-	-	-	-	(156)
Adjusted (Non-GAAP)	\$ 866	\$ 1,383	\$ 2,243	\$ 1,748	\$ -	\$ -	\$ -	\$ -	\$ 6,240
Operating Income									
Reported (GAAP)	\$ 92	\$ 165	\$ 316	\$ 274	\$ (12)	\$ (89)	\$ (44)	\$ -	\$ 702
2014-2018 Restructuring Program costs	42	18	121	105	-	15	-	-	301
Acquisition integration costs	-	(1)	-	-	-	1	-	-	-
Gain on sale of intangible asset	-	-	-	(7)	-	-	-	-	(7)
Intangible asset impairment charges	-	-	4	-	-	-	-	-	4
(Income)/costs associated with the JDE coffee business transactions	-	-	(3)	-	-	1	-	-	(2)
Operating income from divestitures	(1)	(13)	(19)	(3)	-	(1)	-	-	(37)
Mark-to-market (gains)/losses from derivatives	-	-	-	-	12	-	-	-	12
Rounding	-	-	-	-	-	1	-	-	1
Adjusted (Non-GAAP)	\$ 133	\$ 169	\$ 419	\$ 369	\$ -	\$ (72)	\$ (44)	\$ -	\$ 974
Operating Income Margin									
Reported %	10.6 %	11.4 %	13.6 %	15.6 %					11.0 %
Adjusted %	15.4 %	12.2 %	18.7 %	21.1 %					15.6 %

Mondelēz International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
Segment Data
(in millions of U.S. dollars)
(Unaudited)

For the Nine Months Ended September 30, 2017

	Latin America	AMEA	Europe	North America	Unrealized G/(L) on Hedging Activities	General Corporate Expenses	Amortization of Intangibles	Other Items	Mondelēz International
Net Revenue									
Reported (GAAP)	\$ 2,666	\$ 4,290	\$ 6,978	\$ 4,996	\$ -	\$ -	\$ -	\$ -	\$ 18,930
Divestitures	-	(114)	(135)	-	-	-	-	-	(249)
Adjusted (Non-GAAP)	\$ 2,666	\$ 4,176	\$ 6,843	\$ 4,996	\$ -	\$ -	\$ -	\$ -	\$ 18,681
Operating Income									
Reported (GAAP)	\$ 469	\$ 425	\$ 1,158	\$ 824	\$ (69)	\$ (196)	\$ (133)	\$ 184	\$ 2,662
2014-2018 Restructuring Program costs	104	136	198	117	-	42	-	-	597
Acquisition integration costs	-	2	-	-	-	-	-	-	2
Intangible asset impairment charges	5	53	11	41	-	(1)	-	-	109
Benefits from resolution of tax matters	(153)	-	(48)	-	-	-	-	-	(201)
Malware incident incremental expenses	1	2	11	38	-	2	-	-	54
Operating income from divestitures	-	(22)	(33)	-	-	-	-	-	(55)
Divestiture-related costs	-	4	19	-	-	-	-	-	23
Net gain on divestitures	-	-	-	-	-	-	-	(184)	(184)
Mark-to-market (gains)/losses from derivatives	-	-	-	-	69	-	-	-	69
Rounding	-	-	-	-	-	(1)	-	-	(1)
Adjusted (Non-GAAP)	\$ 426	\$ 600	\$ 1,316	\$ 1,020	\$ -	\$ (154)	\$ (133)	\$ -	\$ 3,075
Currency	(22)	44	33	-	-	(3)	-	-	53
Adjusted @ Constant FX (Non-GAAP)	\$ 404	\$ 644	\$ 1,349	\$ 1,020	\$ -	\$ (157)	\$ (133)	\$ -	\$ 3,128
% Change - Reported (GAAP)	145.5 %	(15.7)%	25.3 %	(1.9)%	n/m	9.3 %	(0.8)%	n/m	29.1 %
% Change - Adjusted (Non-GAAP)	44.9 %	4.7 %	7.0 %	(5.7)%	n/m	6.1 %	(0.8)%	n/m	6.7 %
% Change - Adjusted @ Constant FX (Non-GAAP)	37.4 %	12.4 %	9.7 %	(5.7)%	n/m	4.3 %	(0.8)%	n/m	8.5 %
Operating Income Margin									
Reported %	17.6 %	9.9 %	16.6 %	16.5 %					14.1 %
Reported pp change	10.0 pp	(1.5)pp	3.5 pp	0.2 pp					3.3 pp
Adjusted %	16.0 %	14.4 %	19.2 %	20.4 %					16.5 %
Adjusted pp change	4.3 pp	0.9 pp	1.2 pp	(0.6)pp					1.1 pp

For the Nine Months Ended September 30, 2016

	Latin America	AMEA	Europe	North America	Unrealized G/(L) on Hedging Activities	General Corporate Expenses	Amortization of Intangibles	Other Items	Mondelēz International
Net Revenue									
Reported (GAAP)	\$ 2,528	\$ 4,404	\$ 7,073	\$ 5,148	\$ -	\$ -	\$ -	\$ -	\$ 19,153
Divestitures	(6)	(174)	(257)	(5)	-	-	-	-	(442)
Adjusted (Non-GAAP)	\$ 2,522	\$ 4,230	\$ 6,816	\$ 5,143	\$ -	\$ -	\$ -	\$ -	\$ 18,711
Operating Income									
Reported (GAAP)	\$ 191	\$ 504	\$ 924	\$ 840	\$ (49)	\$ (216)	\$ (132)	\$ -	\$ 2,062
2014-2018 Restructuring Program costs	105	99	266	245	-	51	-	-	766
Acquisition integration costs	-	6	-	-	-	-	-	-	6
Gain on sale of intangible asset	-	-	(6)	(7)	-	-	-	-	(13)
Intangible asset impairment charges	-	-	23	7	-	-	-	-	30
(Income)/costs associated with the JDE coffee business transactions	-	-	(3)	-	-	1	-	-	(2)
Operating income from divestitures	(2)	(36)	(58)	(3)	-	-	-	-	(99)
Divestiture-related costs	-	-	84	-	-	-	-	-	84
Mark-to-market (gains)/losses from derivatives	-	-	-	-	49	-	-	-	49
Adjusted (Non-GAAP)	\$ 294	\$ 573	\$ 1,230	\$ 1,082	\$ -	\$ (164)	\$ (132)	\$ -	\$ 2,883
Operating Income Margin									
Reported %	7.6 %	11.4 %	13.1 %	16.3 %					10.8 %
Adjusted %	11.7 %	13.5 %	18.0 %	21.0 %					15.4 %