



November 7, 2012

Mondelez International Reports Q3 2012 Results and Confirms 2013 Guidance

[Financial Schedules and GAAP to Non-GAAP Information](#)

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DEERFIELD, Ill., Nov. 7, 2012 /PRNewswire/ -- Mondelez International, Inc. (NASDAQ: MDLZ) today reported third quarter 2012 results.

On Oct. 1, 2012, Mondelez International, formerly known as Kraft Foods Inc., completed the spin-off of its North American grocery business, Kraft Foods Group, Inc. Beginning in the fourth quarter 2012, Kraft Foods Group's historical financial results for periods prior to Oct. 1, 2012, will be reflected in the company's financial statements as a discontinued operation.

Results Under the Kraft Foods Inc. Structure

- Net revenues declined 2.4% to \$12.9 billion; Organic Net Revenues¹ increased 2.1%
- Operating income declined 2.7%; Adjusted Operating Income¹ increased 6.8%
- Diluted EPS was \$0.36; Operating EPS¹ was \$0.64, up 10.3%

On a reported basis, including Kraft Foods Group, net revenues were \$12.9 billion, down 2.4 percent, including a 4.5 percentage point headwind from currency. Organic Net Revenues increased 2.1 percent.

Operating income was \$1.7 billion, and operating income margin was 12.8 percent. Adjusted Operating Income, which excludes Integration Program² costs, Restructuring Program³ costs and Spin-Off Costs⁴, grew 6.8 percent to \$1.9 billion. Adjusted Operating Income margin increased 1.3 percentage points to 15.0 percent.

Diluted EPS was \$0.36, while Operating EPS was \$0.64, up 10.3 percent, or 15.5 percent on a constant currency basis.

Results for Mondelez International on an Adjusted Pro Forma Continuing Operations Basis

- Net revenues declined 5.1% to \$8.3 billion; Organic Net Revenues⁵ increased 1.5%
- Operating income increased 2.2%, up 7.5% on a constant currency basis
- Diluted EPS declined 2.6% to \$0.37, up 2.6% on a constant currency basis
- Company reaffirmed 2013 guidance of Organic Net Revenue growth at the low end of 5%-7% range, and Operating EPS of \$1.50 to \$1.55 based on average August 2012 foreign currency rates

The following discussion highlights standalone financial results for Mondelez International on an Adjusted Pro Forma continuing operations basis. This reflects the spin-off and removal of the divested Kraft Foods Group business from all periods presented. It also includes the impacts of the following transactions as if they occurred at the beginning of the periods presented: the transfer of certain North American benefit plan obligations to Kraft Foods Group; and the reduction of debt related to the completion of the spin-off capitalization plans. The Adjusted Pro Forma results exclude Spin-Off Costs, 2012-2014 Restructuring Program costs and Integration Program costs. The company introduced Adjusted Pro Forma results of operations in a Form 8-K filing on October 5, 2012 to facilitate comparisons of past and future operating performance.

"As we expected, our top-line growth this quarter was modest," said Irene Rosenfeld, Chairman and CEO. "This reflected the lapping of our exceptional performance in the third quarter last year and a lower contribution from pricing. We also had some short-term executional missteps in a few key countries, but these issues should be largely resolved by the end of the year. Growth in our core categories continues to be robust. And we remain confident in our ability to deliver our 2013 and long-term targets."

Net revenues were \$8.3 billion, down 5.1 percent, including a 6.6 percentage point headwind from currency. Organic Net Revenues increased 1.5 percent despite lapping 9.4 percent growth in the prior year third quarter. The increase was driven by 6 percent growth from global and regional Power Brands. Favorable pricing of 2.2 percentage points was partially offset by 0.7 percentage points from lower volume/mix. Through the first nine months of 2012, Organic Net Revenues increased 4.6 percent.

Operating income was \$1.1 billion, up 2.2 percent, or 7.5 percent on a constant currency basis, as the effective management of input costs and lower SG&A more than offset the impact of lower volume/mix. Operating income margin rose 0.9 percentage points to 13.1 percent. Year-to-date, operating income grew 4.8 percent, or 9.3 percent on a constant currency basis, while operating income margin increased 0.9 percentage points to 12.7 percent.

Diluted EPS was \$0.37, down 2.6 percent, including a \$0.02 negative impact from currency. On a constant currency basis, diluted EPS increased 2.6 percent in the third quarter and 7.8 percent year to date. The increase was driven primarily by operating gains, mostly offset by an increase in taxes due to significant one-time benefits in the prior year.

Mixed Results in Developing Markets

Developing Markets delivered modest organic revenue growth reflecting a difficult comparison to the prior year quarter as well as some executional issues in a few key markets.

Net revenues in the third quarter decreased 6.0 percent, including a negative 7.7 percentage point impact from currency. Organic Net Revenues⁶ grew 1.7 percent, with higher pricing partially offset by lower volume/mix. The modest rise in Organic Net Revenue reflected difficult comparisons to the 15.5 percent growth generated in the prior year quarter, when many customers increased purchases ahead of announced price increases. The region's Power Brands grew about 7 percent, led by *Cadbury Dairy Milk*, *Lacta* and *Milka* chocolate, and *Oreo* and *Barni* biscuits.

Revenue growth reflected mixed performance across the region. Key markets such as China, India and the Middle East & Africa grew strongly, but this was tempered by weak results in Brazil and Russia due to short-term executional issues. The company has taken actions to address these issues, and expects fourth quarter 2012 Organic Net Revenue in the region to grow high single digits.

Segment operating income decreased 6.3 percent, including a negative 5.3 percentage point impact from currency. Excluding currency, segment operating income was essentially flat as lower volume/mix largely offset the effective management of input costs.

Solid Performance in Europe

Europe delivered solid results in a difficult environment through volume/mix gains and continued benefits from a focus on productivity and overhead reduction.

Net revenues in the third quarter decreased 8.1 percent, including a negative 8.8 percentage point impact from currency. Organic Net Revenues increased 0.7 percent, driven by solid volume/mix growth, particularly in chocolate and coffee. The volume/mix gains in the quarter were consistent with the performance in the first half of the year. These gains were partially offset by lower pricing, primarily in coffee. The region's Power Brands grew 2 percent, led by *Milka* and *Cadbury Dairy Milk* chocolate, *Oreo* and *belVita* biscuits, the chocobakery platform and *Tassimo* beverages.

Segment operating income decreased 0.8 percent, including an unfavorable 8.2 percentage point impact from currency. Excluding currency, Europe's segment operating income grew mid-to-high single digits, and includes the favorable impact of a one-time item.

Strong Biscuit Growth Drove Gains in North America

Strong U.S. biscuit performance drove solid top- and bottom-line growth in North America.

Net revenues in the third quarter increased 1.9 percent. Organic Net Revenues⁷ grew 2.2 percent, driven by higher pricing, partially offset by lower volume/mix due to product pruning in Canada. Biscuits in the U.S. increased mid-single-digits, reflecting the benefits of a more focused direct store delivery sales force. Gum and candy was flat as double-digit growth in candy and the launch of *Stride ID* offset weakness in other gum brands. The region's Power Brands grew 9 percent, led by *Honey Maid*, *Ritz*, *Triscuit* and *Oreo* biscuits and *Halls* candy.

Segment operating income increased 14.5 percent reflecting strong gains from pricing and productivity that more than offset a significant increase in advertising and consumer promotions support behind Power Brands.

Outlook

"We remain confident in the 2013 guidance that we outlined in September," said David Brearton, Executive Vice President and CFO. "As a result, we are reaffirming our 2013 Organic Net Revenue growth outlook to be at the low end of our long-term growth target of 5 to 7 percent, and Operating EPS¹ to be \$1.50 to \$1.55, based on average August 2012 foreign currency rates. Using average foreign currency rates for October 2012, the company's 2013 Operating EPS guidance would be approximately 5 cents higher."

Conference Call

Mondelez International will host a conference call for investors with accompanying slides to review its results at 5 p.m. EST today. Access to a live audio webcast with accompanying slides is available at www.mondelezinternational.com, and a replay of the event will also be available on the company's web site.

About Mondelez International

Mondelez International, Inc. (NASDAQ: MDLZ) is a world leader in chocolate, biscuits, gum, candy, coffee and powdered beverages. The company comprises the global snacking and food brands of the former Kraft Foods Inc. following the spin-off of its North American grocery operations in October 2012. Mondelez International's portfolio includes several billion-dollar brands such as *Cadbury* and *Milka* chocolate, *Jacobs* coffee, *LU*, *Nabisco* and *Oreo* biscuits, *Tang* powdered beverages and *Trident* gum. Mondelez International has annual revenue of approximately \$36 billion and operations in more than 80 countries. Visit www.mondelezinternational.com and www.facebook.com/mondelezinternational.

Forward-Looking Statements

This press release contains a number of forward-looking statements. Words, and variations of words such as "reaffirms," "expect," "should," "confident," "anticipate" and similar expressions are intended to identify our forward-looking statements, including but not limited to, statements about: 2013 guidance; timing of the resolution of executional missteps; 2013 and long-term targets; Developing Markets 2012 Organic Net Revenue; and our Outlook, in particular, 2013 Organic Net Revenue growth and Operating EPS. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause our actual results to differ materially from those indicated in our forward-looking statements. Such factors include, but are not limited to, continued volatility of and increase in input costs, pricing actions, increased competition, continued economic weakness and tax law changes. Please also see our risk factors, as they may be amended from time to time, set forth in our filings with the SEC, including our most recently filed Annual Report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. Mondelez 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.

Non-GAAP Financial Measures

The company reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP").

The company's top-line measure is Organic Net Revenues, which excludes the impacts of divestitures, currency and accounting calendar changes. The company uses Organic Net Revenues and corresponding metrics as non-GAAP financial measures. Management believes Organic Net Revenues better reflects the underlying growth from the ongoing activities of our business and provides improved comparability of results.

The company uses Adjusted Operating Income and Adjusted Segment Operating Income (formerly known as "Underlying Operating Income" and "Underlying Segment Operating Income," respectively), which is defined as operating income (or segment operating income) excluding costs related to: the Integration Program; the Restructuring Program; and Spin-Off Costs, including transaction fees and other costs associated with the Spin-Off of the North American grocery business. The company uses Adjusted Operating Income, Adjusted Segment Operating Income and corresponding metrics as non-GAAP financial measures. Management believes Adjusted Operating Income and Adjusted Segment Operating Income provide improved comparability of operating results.

The company uses Operating EPS, which is defined as diluted EPS attributable to Mondelez International excluding costs related to: the Integration Program; the Restructuring Program; and Spin-Off Costs. The company uses Operating EPS and corresponding metrics as non-GAAP financial measures. Management believes Operating EPS provides improved comparability of operating results.

The company uses Adjusted Pro Forma Results from Continuing Operations (also, "Adjusted Pro Forma" or "Adjusted Pro Forma Continuing Operations"), which is defined as including the following adjustments from the beginning of all periods presented:

- removal of Kraft Foods Group results of operations ("Kraft Foods Group Operation") which was divested on October 1, 2012;
- removal of Integration Program costs;
- removal of 2012-2014 Restructuring Program costs;
- removal of Spin-Off Costs, including transaction fees and other costs associated with the Spin-Off of Kraft Foods Group;
- adjustment to reduce benefit plan expense in connection with the transfer of certain employee benefit plan obligations to Kraft Foods Group in the Spin-Off transaction;
- adjustment to reflect the finalization of the Spin-Off capitalization plan at Mondelez International and the assumed pay down of approximately \$6 billion of our debt and the related estimated reduction in our interest expense as a result of cash received from Kraft Foods Group.

The company uses Adjusted Pro Forma Continuing Operations and corresponding metrics as non-GAAP financial measures to present operating results on a standalone company basis. Management believes Adjusted Pro Forma Continuing Operations provides improved comparability of operating results as a standalone company. The adjusted pro forma information is for informational purposes only and is not intended to represent what our results of operations or financial position would have been had the Spin-Off and related transactions and adjustments occurred at an earlier time within the periods presented, nor should it be considered indicative of our future results of operations as a standalone company.

Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the company's results prepared in accordance with GAAP. In addition, the non-GAAP measures the company is using may differ from non-GAAP measures used by other companies. Because GAAP financial measures on a forward-looking basis are neither accessible nor deemed to be significantly different from the non-GAAP financial measures, and reconciling information is not available without unreasonable effort, with regard to the non-GAAP financial measures in the company's Outlook, the company has not provided that information.

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 and nine months ended September 30, 2012 and 2011.

Segment Operating Income

Management 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), certain components of its U.S. pension plan cost (which is a component of selling, general and administrative expenses), general corporate expenses (which are a component of selling, general and administrative expenses) and amortization of intangibles for all periods presented. The company centrally manages pension plan funding decisions and determination of discount rate, expected rate of return on plan assets and other actuarial assumptions. Therefore, the company allocates only the service cost component of its U.S. pension plan expense to segment operating income. The company excludes the unrealized gains and losses on hedging activities from segment operating income to provide better transparency of its segment operating results. Once realized, the company records the gains and losses on hedging activities within segment operating results. Accordingly, the company does not present these items by segment because they are excluded from the segment profitability measure that management reviews.

¹ Please see discussion of Non-GAAP Financial Measures at the end of this press release.

² Integration Program costs are defined as the costs associated with combining the Kraft Foods and Cadbury businesses, and are separate from those costs associated with the acquisition.

³ Restructuring Program costs represent non-recurring restructuring and related implementation costs reflecting primarily severance, asset disposals and other manufacturing related non-recurring costs.

⁴ Spin-Off Costs represent non-recurring transaction and transition costs associated with preparing the businesses for independent operations consisting primarily of financial advisory fees, legal fees, accounting fees, tax services and information systems infrastructure duplication. In addition, Spin-Off costs include financing and related costs to redistribute debt and secure investment grade credit ratings for both Mondelez International and Kraft Foods Group.

⁵ Please see discussion of Non-GAAP Financial Measures at the end of this press release.

⁶ Please see discussion of Non-GAAP Financial Measures at the end of this press release.

⁷ Please see discussion of Non-GAAP Financial Measures at the end of this press release.

Mondelez International, Inc. and Subsidiaries
(Includes the Results of Kraft Foods Group, Inc.)
Condensed Consolidated Statements of Earnings
For the Three Months Ended September 30,
(in millions of dollars, except per share data) (Unaudited)

Schedule 1

	As Reported (GAAP)		% Change Fav / (Unfav)
	2012	2011	
Net revenues	\$12,909	\$13,226	(2.4)%
Cost of sales	<u>8,191</u>	<u>8,611</u>	4.9%
Gross profit	4,718	4,615	2.2%
Gross profit margin	36.5%	34.9%	

Selling, general and administrative expenses	2,955	2,866	(3.1)%
Asset impairment and exit costs	57	(7)	(100.0+)%
Amortization of intangibles	<u>54</u>	<u>58</u>	6.9%
Operating income	1,652	1,698	(2.7)%
Operating income margin	<u>12.8%</u>	<u>12.8%</u>	
Interest and other expense, net	<u>864</u>	<u>425</u>	(100.0+)%
Earnings before income taxes	788	1,273	(38.1)%
Provision for income taxes	129	346	62.7%
Effective tax rate	<u>16.4%</u>	<u>27.2%</u>	
Net earnings	\$ 659	\$ 927	(28.9)%
Noncontrolling interest	<u>7</u>	<u>5</u>	(40.0)%
Net earnings attributable to Mondelez International	<u>\$ 652</u>	<u>\$ 922</u>	(29.3)%
Per share data:			
Basic earnings per share attributable to Mondelez International	<u>\$ 0.37</u>	<u>\$ 0.52</u>	(28.8)%
Diluted earnings per share attributable to Mondelez International	<u>\$ 0.36</u>	<u>\$ 0.52</u>	(30.8)%
Average shares outstanding:			
Basic	1,779	1,770	(0.5)%
Diluted	1,789	1,777	(0.7)%

Mondelez International, Inc. and Subsidiaries
(Includes the Results of Kraft Foods Group, Inc.)
Reconciliation of GAAP to Non-GAAP Information
Net Revenues
For the Three Months Ended September 30,
(\$ in millions) (Unaudited)

Schedule 2

	As Reported (GAAP)	Impact of Currency	Organic (Non-GAAP)	% Change		Organic Growth Drivers	
				As Reported (GAAP)	Organic (Non-GAAP)	Vol / Mix	Price
2012							
U.S. Beverages	\$ 682	\$ -	\$ 682	0.1%	0.1%	0.7pp	(0.6)pp
U.S. Cheese	917	-	917	1.7%	1.7%	6.0	(4.3)
U.S. Convenient Meals	891	-	891	3.2%	3.2%	0.8	2.4
U.S. Grocery	898	-	898	7.4%	7.4%	3.8	3.6
U.S. Snacks	1,621	-	1,621	2.7%	2.7%	(0.7)	3.4
Canada & N.A. Foodservice	1,286	15	1,301	1.1%	2.3%	2.9	(0.6)
Mondelez North America	\$ 6,295	\$ 15	\$ 6,310	2.6%	2.9%	2.0	0.9
Mondelez Europe	2,849	273	3,122	(8.1)%	0.7%	1.4	(0.7)
Mondelez Developing Markets	3,765	301	4,066	(5.7)%	1.8%	(2.5)	4.3
Mondelez International	\$ 12,909	\$ 589	\$ 13,498	(2.4)%	2.1%	0.6pp	1.5pp

2011			
U.S. Beverages	\$ 681	\$ -	\$ 681
U.S. Cheese	902	-	902
U.S. Convenient Meals	863	-	863
U.S. Grocery	836	-	836
U.S. Snacks	1,579	-	1,579
Canada & N.A. Foodservice	1,272	-	1,272
Mondelez North America	\$ 6,133	\$ -	\$ 6,133
Mondelez Europe	3,099	-	3,099
Mondelez Developing Markets	3,994	-	3,994
Mondelez International	\$ 13,226	\$ -	\$ 13,226

Mondelez International, Inc. and Subsidiaries
(Includes the Results of Kraft Foods Group, Inc.)
Operating Income by Reportable Segments
For the Three Months Ended September 30,
(\$ in millions) (Unaudited)

Schedule 3

	2011 Operating Income - As Reported (GAAP)	2011 Impacts		2012 Impacts					2012 Operating Income - As Reported (GAAP)	% Change
		Integration Program costs (1)	Asset Impairment & Exit costs (2)	Integration Program costs (1)	Impact of Currency	Spin-Off Costs (3)	2012-2014 Restructuring Program costs (4)	Operations (2)		
Segment Operating Income:										
U.S. Beverages	\$ 101	\$ -	\$ (1)	\$ -	\$ -	\$ -	\$ (24)	\$ -	\$ 76	(24.8)%
U.S. Cheese	145	-	-	-	-	-	(11)	25	159	9.7%
U.S. Convenient Meals	105	-	-	-	-	-	(6)	17	116	10.5%
U.S. Grocery	292	-	-	-	-	-	(7)	(1)	284	(2.7)%
U.S. Snacks	221	14	(1)	(3)	-	-	(17)	27	241	9.0%
Canada & N.A. Foodservice	171	5	-	-	(1)	-	(2)	18	191	11.7%
Mondelez North America	\$ 1,035	\$ 19	\$ (3)	\$ (3)	\$ (1)	\$ -	\$ (67)	\$ 87	\$ 1,067	3.1%
Mondelez Europe	334	56	(3)	28	(32)	-	-	32	415	24.3%
Mondelez Developing Markets	582	31	(1)	(11)	(32)	(25)	(2)	(3)	539	(7.4)%
Unrealized G/(L) on Hedging Activities	(4)	-	-	-	-	-	-	58	54	
HQ Pension	(57)	-	-	-	-	-	-	(33)	(90)	
General Corporate Expenses	(134)	6	-	-	1	(201)	-	49	(279)	
Amortization of Intangibles	(58)	-	-	-	1	-	-	3	(54)	
Mondelez International	\$ 1,698	\$ 112	\$ (7)	\$ 14	\$ (63)	\$(226)	\$ (69)	\$ 193	\$ 1,652	(2.7)%

(1) Integration Program costs are defined as the costs associated with combining the Mondelez International and Cadbury businesses, and are separate from those costs associated with the acquisition. In Q3 2012, \$6 million was recorded in Cost of Sales and \$(20) million was recorded in Selling, General and Administrative expenses. In Q3 2011, \$38 million was recorded in Cost of Sales and \$74 million was recorded in Selling, General and Administrative expenses.

(2) May not foot due to rounding.

(3) Spin-Off Costs represent non-recurring transaction and transition costs associated with preparing the businesses for independent operations consisting primarily of financial advisory fees, legal fees, accounting fees, tax services and information systems infrastructure duplication.

(4) Restructuring Program costs represent non-recurring restructuring and related implementation costs reflecting primarily severance, asset disposals and other manufacturing related non-recurring costs.

Mondelez International, Inc. and Subsidiaries
(Includes the Results of Kraft Foods Group, Inc.)
Reconciliation of GAAP to Non-GAAP Information
Operating Income
For the Three Months Ended September 30,
(\$ in millions) (Unaudited)

Schedule 4

	<u>As Reported (GAAP)</u>	<u>Integration Program costs ⁽¹⁾</u>	<u>Spin-Off Costs ⁽²⁾</u>	<u>2012-2014 Restructuring Program costs ⁽³⁾</u>	<u>Adjusted (Non-GAAP)</u>
2012					
Net Revenues	\$12,909	\$ -	\$ -	\$ -	\$ 12,909
Operating Income	\$ 1,652	\$ (14)	\$ 226	\$ 69	\$ 1,933
Operating Income Margin	12.8%				15.0%
2011					
Net Revenues	\$13,226	\$ -	\$ -	\$ -	\$ 13,226
Operating Income	\$ 1,698	\$ 112	\$ -	\$ -	\$ 1,810
Operating Income Margin	12.8%				13.7%

(1) Integration Program costs are defined as the costs associated with combining the Mondelez International and Cadbury businesses, and are separate from those costs associated with the acquisition.

(2) Spin-Off Costs represent non-recurring transaction and transition costs associated with preparing the businesses for independent operations consisting primarily of financial advisory fees, legal fees, accounting fees, tax services and information systems infrastructure duplication.

(3) Restructuring Program costs represent non-recurring restructuring and related implementation costs reflecting primarily severance, asset disposals and other manufacturing related non-recurring costs.

Mondelez International, Inc. and Subsidiaries
(Includes the Results of Kraft Foods Group, Inc.)
Reconciliation of GAAP to Non-GAAP Information
Diluted EPS
(Unaudited)

Schedule 5

	<u>Diluted EPS</u>	<u>% Growth</u>
Diluted EPS Attributable to Mondelez International for the Three Months Ended September 30, 2011 (GAAP)	\$ 0.52	
Integration Program costs ⁽¹⁾	0.06	
Operating EPS for the Three Months Ended September 30, 2011 (Non-GAAP)	0.58	
Increases in operations	0.05	
Change in unrealized gains/losses on hedging activities	0.02	
Accounting calendar changes	-	
Unfavorable foreign currency ⁽²⁾	(0.03)	
Lower interest and other expense, net ⁽³⁾	0.01	
Changes in taxes	0.01	
Higher shares outstanding	-	
Operating EPS for the Three Months Ended September 30, 2012 (Non-GAAP)	0.64	10.3%
Integration Program costs ⁽¹⁾		
Spin-Off Costs ⁽⁴⁾	(0.25)	
2012-2014 Restructuring Program costs ⁽⁵⁾	(0.03)	
Diluted EPS Attributable to Mondelez International for the Three Months Ended September 30, 2012 (GAAP)	\$ 0.36	(30.8)%

(1) Integration Program costs are defined as the costs associated with combining the Mondelez International and Cadbury businesses, and are separate from those costs associated with the acquisition. Integration Program costs were \$(14) million, or \$(5) million after-tax including certain tax costs associated with the integration of Cadbury, for the three months ended September 30, 2012, as compared to \$112 million, or \$111 million after-tax for the three months ended September 30, 2011.

(2) Includes the favorable foreign currency impact on Mondelez International foreign denominated debt and interest expense due to the strength of the U.S. dollar.

(3) Excludes financing costs/other fees related to our planned Spin-Off.

(4) Spin-Off Costs represent non-recurring transaction and transition costs associated with preparing the businesses for independent operations consisting primarily of financial advisory fees, legal fees, accounting fees, tax services and information systems infrastructure duplication, and financing and related costs to redistribute debt and secure investment grade ratings for both the Kraft Foods Group Business and the Mondelez International Business. Spin-Off Costs for the three months ended September 30, 2012 were \$683 million, or \$452 million after-tax and include \$457 million of pre-tax financing costs/other fees recorded in interest and other expense, net.

(5) Restructuring Program costs for the three months ended September 30, 2012 were \$69 million, or \$43 million after-tax and represent non-recurring restructuring and related implementation costs reflecting primarily severance, asset disposals and other manufacturing related non-recurring costs.

Mondelez International, Inc. and Subsidiaries
(Includes the Results of Kraft Foods Group, Inc.)
Reconciliation of GAAP to Non-GAAP Information
Diluted Earnings Per Share
Constant Currency Growth
For the Three Months Ended September 30,
(Unaudited)

Schedule 6

	<u>As Reported (GAAP)</u>	<u>Integration Program costs ⁽¹⁾</u>	<u>Spin-Off Cost ⁽²⁾</u>	<u>2012 - 2014 Restructuring Program costs ⁽³⁾</u>	<u>Operating (Non-GAAP)</u>	<u>Currency ⁽⁴⁾</u>	<u>Operating Constant FX (Non-GAAP)</u>	<u>% Growth</u>		
	<u>As Reported EPS Growth (GAAP)</u>							<u>As Reported EPS Growth (Non-GAAP)</u>	<u>Operating Constant FX EPS Growth (Non-GAAP)</u>	
2012										
Diluted EPS attributable to Mondelez International	\$ 0.36	\$ -	\$ 0.25	\$ 0.03	\$ 0.64	\$ 0.03	\$ 0.67	(30.8)%	10.3%	15.5%
2011										
Diluted EPS attributable to Mondelez International	\$ 0.52	\$ 0.06	\$ -	\$ -	\$ 0.58	\$ -	\$ 0.58			

(1) Integration Program costs are defined as the costs associated with combining the Mondelez International and Cadbury businesses, and are separate from those costs associated with the acquisition.

(2) Spin-Off Costs represent non-recurring transaction and transition costs associated with preparing the businesses for independent operations consisting primarily of financial advisory fees, legal fees, accounting fees, tax services and information systems infrastructure duplication, and financing and related costs to redistribute debt and secure investment grade ratings for both the Kraft Foods Group Business and the Mondelez International Business.

(3) Restructuring Program costs represent non-recurring restructuring and related implementation costs reflecting primarily severance, asset disposals and other manufacturing related non-recurring costs.

(4) Includes the favorable foreign currency impact on Mondelez International foreign denominated debt and interest expense due to the strength of the U.S. dollar.

Mondelez International, Inc. and Subsidiaries
(Includes the Results of Kraft Foods Group, Inc.)
Condensed Consolidated Statements of Earnings
For the Nine Months Ended September 30,
(in millions of dollars, except per share data) (Unaudited)

Schedule 7

	As Reported (GAAP)		% Change Fav / (Unfav)
	2012	2011	
Net revenues	\$ 39,288	\$ 39,677	(1.0)%
Cost of sales	25,033	25,555	2.0%
Gross profit	14,255	14,122	0.9%
Gross profit margin	36.3%	35.6%	
Selling, general and administrative expenses	8,631	8,807	2.0%
Asset impairment and exit costs	239	(7)	(100.0+)%
Amortization of intangibles	163	172	5.2%
Operating income	5,222	5,150	1.4%
Operating income margin	13.3%	13.0%	
Interest and other expense, net	1,846	1,312	(40.7)%
Earnings before income taxes	3,376	3,838	(12.0)%
Provision for income taxes	864	1,133	23.7%
Effective tax rate	25.6%	29.5%	
Net earnings	\$ 2,512	\$ 2,705	(7.1)%
Noncontrolling interest	18	8	(100.0+)%
Net earnings attributable to Mondelez International	\$ 2,494	\$ 2,697	(7.5)%
Per share data:			
Basic earnings per share attributable to Mondelez International	\$ 1.40	\$ 1.53	(8.5)%
Diluted earnings per share attributable to Mondelez International	\$ 1.40	\$ 1.52	(7.9)%
Average shares outstanding:			
Basic	1,776	1,763	(0.7)%
Diluted	1,786	1,770	(0.9)%

Mondelez International, Inc. and Subsidiaries
(Includes the Results of Kraft Foods Group, Inc.)
Reconciliation of GAAP to Non-GAAP Information
Net Revenues
For the Nine Months Ended September 30,
(\$ in millions) (Unaudited)

Schedule 8

	As Reported (GAAP)	Impact of Divestitures (1)	Impact of Accounting Calendar Changes	Impact of Currency	Organic (Non- GAAP)	% Change		Organic Growth Drivers	
						As Reported (GAAP)	Organic (Non- GAAP)	Vol / Mix	Price
2012									
U.S. Beverages	\$ 2,168	\$ -	\$ -	\$ -	\$ 2,168	(5.0)%	(1.2)%	(2.2)pp	1.0pp
U.S. Cheese	2,749	-	-	-	2,749	3.7%	3.7%	0.0	3.7
U.S. Convenient Meals	2,601	-	-	-	2,601	2.6%	2.6%	0.4	2.2
U.S. Grocery	2,739	-	-	-	2,739	5.2%	5.2%	1.4	3.8
U.S. Snacks	4,716	-	-	-	4,716	2.9%	2.9%	(3.1)	6.0
Canada & N.A. Foodservice	3,725	-	-	60	3,785	(0.3)%	1.4%	(0.6)	2.0
Mondelez North America	\$ 18,698	\$ -	\$ -	\$ 60	\$ 18,758	1.7%	2.5%	(0.9)	3.4
Mondelez Europe	9,004	-	-	653	9,657	(6.6)%	3.1%	1.6	1.5
Mondelez Developing Markets	11,586	-	-	760	12,346	(0.5)%	6.8%	1.0	5.8
Mondelez International	\$ 39,288	\$ -	\$ -	\$ 1,473	\$ 40,761	(1.0)%	3.9%	0.2pp	3.7pp
2011									
U.S. Beverages	\$ 2,281	\$ (87)	\$ -	\$ -	\$ 2,194				
U.S. Cheese	2,651	-	-	-	2,651				
U.S. Convenient Meals	2,536	-	-	-	2,536				
U.S. Grocery	2,603	-	-	-	2,603				
U.S. Snacks	4,581	-	-	-	4,581				
Canada & N.A. Foodservice	3,735	(4)	-	-	3,731				
Mondelez North America	\$ 18,387	\$ (91)	\$ -	\$ -	\$ 18,296				
Mondelez Europe	9,640	-	(269)	-	9,371				
Mondelez Developing Markets	11,650	-	(92)	-	11,558				
Mondelez International	\$ 39,677	\$ (91)	\$ (361)	\$ -	\$ 39,225				

(1) Impact of divestitures includes for reporting purposes Starbucks CPG business.

Mondelez International, Inc. and Subsidiaries
(Includes the Results of Kraft Foods Group, Inc.)
Operating Income by Reportable Segments
For the Nine Months Ended September 30,
(\$ in millions) (Unaudited)

Schedule 9

Segment	2011 Operating Income - As Reported (GAAP)	2011 Impacts					2012 Impacts					2012 Operating Income - As Reported (GAAP)	% Change
		Integration Program costs (1)	Asset Impairment & Exit costs (6)	Impact of Divestitures (3)	Impact of Accounting Calendar Changes	Integration Program costs (1)	Asset Impairment & Exit costs (2)	Impact of Currency	Spin-off Costs (4)	2012-2014 Restructuring Program costs (5)	Operations (6)		
Operating Income:													
U.S. Beverages	\$ 400	\$ -	\$ (1)	\$ (13)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (41)	\$ (37)	\$ 308	(23.0)%
U.S. Cheese	422	-	-	-	-	-	-	-	-	(56)	116	482	14.2%
U.S. Convenient Meals	309	-	-	-	-	-	-	-	-	(18)	47	338	9.4%
U.S. Grocery	963	-	-	-	-	-	-	-	-	(24)	35	974	1.1%
U.S. Snacks	606	29	(1)	-	-	(5)	-	-	-	(63)	77	643	6.1%
Canada & N.A. Foodservice	510	12	-	(2)	-	1	-	(9)	-	(29)	8	491	(3.7)%
Mondelez North America	\$ 3,210	\$ 41	\$ (3)	\$ (15)	\$ -	\$ (4)	\$ -	\$ (9)	\$ -	\$ (231)	\$ 247	\$ 3,236	0.8%

Mondelez Europe	1,057	165	(3)	-	(41)	(8)	-	(82)	-	-	107	1,195	13.1%
Mondelez Developing Markets	1,505	121	(1)	-	(10)	(50)	(21)	(72)	(25)	(7)	168	1,608	6.8%
Unrealized G/(L) on Hedging Activities	(42)	-	-	-	-	-	-	-	-	-	143	101	
HQ Pension General Corporate Expenses	(143)	-	-	-	-	-	-	-	-	-	(94)	(237)	
Amortization of Intangibles	(265)	25	-	-	-	(2)	-	8	(340)	-	56	(518)	
	(172)	-	-	-	-	-	-	8	-	-	1	(163)	
Mondelez International	\$ 5,150	\$ 352	\$ (7)	\$ (15)	\$ (51)	\$ (64)	\$ (21)	\$ (147)	\$ (365)	\$ (238)	\$ 628	\$ 5,222	1.4%

- (1) Integration Program costs are defined as the costs associated with combining the Mondelez International and Cadbury businesses, and are separate from those costs associated with the acquisition. For the nine months ended September 30, 2012, \$14 million was recorded in Cost of Sales and \$50 million was recorded in Selling, General and Administrative expenses. For the nine months ended September 30, 2011, \$60 million was recorded in Cost of Sales and \$292 million was recorded in Selling, General and Administrative expenses.
- (2) Includes an asset impairment charge related to a trademark in Japan.
- (3) Impact of divestitures includes for reporting purposes Starbucks CPG business.
- (4) Spin-Off Costs represent non-recurring transaction and transition costs associated with preparing the businesses for independent operations consisting primarily of financial advisory fees, legal fees, accounting fees, tax services and information systems infrastructure duplication.
- (5) Restructuring Program costs represent non-recurring restructuring and related implementation costs reflecting primarily severance, asset disposals and other manufacturing related non-recurring costs.
- (6) May not foot due to rounding.

Mondelez International, Inc. and Subsidiaries
(Includes the Results of Kraft Foods Group, Inc.)
Reconciliation of GAAP to Non-GAAP Information
Operating Income
For the Nine Months Ended September 30,
(\$ in millions) (Unaudited)

Schedule 10

	<u>As Reported (GAAP)</u>	<u>Integration Program costs ⁽¹⁾</u>	<u>Spin-off Costs ⁽²⁾</u>	<u>2012-2014 Restructuring Program costs ⁽³⁾</u>	<u>Adjusted (Non-GAAP)</u>
2012					
Net Revenues	\$39,288	\$ -	\$ -	\$ -	\$ 39,288
Operating Income	\$ 5,222	\$ 64	\$ 365	\$ 238	\$ 5,889
Operating Income Margin	13.3%				15.0%
2011					
Net Revenues	\$39,677	\$ -	\$ -	\$ -	\$ 39,677
Operating Income	\$ 5,150	\$ 352	\$ -	\$ -	\$ 5,502
Operating Income Margin	13.0%				13.9%

- (1) Integration Program costs are defined as the costs associated with combining the Mondelez International and Cadbury businesses, and are separate from those costs associated with the acquisition.
- (2) Spin-Off Costs represent non-recurring transaction and transition costs associated with preparing the businesses for independent operations consisting primarily of financial advisory fees, legal fees, accounting fees, tax services and information systems infrastructure duplication.
- (3) Restructuring Program costs represent non-recurring restructuring and related implementation costs reflecting primarily severance, asset disposals and other manufacturing related non-recurring costs.

Mondelez International, Inc. and Subsidiaries
(Includes the Results of Kraft Foods Group, Inc.)
Reconciliation of GAAP to Non-GAAP Information
Diluted EPS
(Unaudited)

Schedule 11

	<u>Diluted EPS</u>	<u>% Growth</u>
Diluted EPS Attributable to Mondelez International for the Nine Months Ended September 30, 2011 (GAAP)	\$ 1.52	
Integration Program costs ⁽¹⁾	0.20	
Operating EPS for the Nine Months Ended September 30, 2011 (Non-GAAP)	1.72	
Increases in operations	0.17	
Change in unrealized gains/losses on hedging activities	0.05	
Gain on sale of property	0.02	
Accounting calendar changes	(0.02)	
Decreased operating income from the Starbucks CPG business cessation ⁽²⁾	(0.01)	
Asset impairment charge	(0.01)	
Unfavorable foreign currency ⁽³⁾	(0.05)	
Lower interest and other expense, net ⁽⁴⁾	0.03	
Changes in taxes	-	
Higher shares outstanding	(0.02)	
Operating EPS for the Nine Months Ended September 30, 2012 (Non-GAAP)	1.88	9.3%
Integration Program costs ⁽¹⁾	(0.04)	
Spin-Off Costs ⁽⁵⁾	(0.36)	
2012-2014 Restructuring Program costs ⁽⁶⁾	(0.08)	
Diluted EPS Attributable to Mondelez International for the Nine Months Ended September 30, 2012 (GAAP)	\$ 1.40	(7.9)%

- (1) Integration Program costs are defined as the costs associated with combining the Mondelez International and Cadbury businesses, and are separate from those costs associated with the acquisition. Integration Program costs were \$64 million, or \$68 million after-tax including certain tax costs associated with the integration of Cadbury, for the nine months ended September 30, 2012, as compared to \$352 million, or \$345 million after-tax for the nine months ended September 30, 2011.
- (2) Effective March 1, 2011 Starbucks unilaterally took control of the sale and distribution of the packaged coffee business in grocery stores and other channels by terminating its agreements with Mondelez International and in a manner that Mondelez International believes violates the terms of those agreements.
- (3) Includes the favorable foreign currency impact on Mondelez International foreign denominated debt and interest expense due to the strength of the U.S. dollar.
- (4) Excludes financing costs/other fees related to our planned Spin-Off.
- (5) Spin-Off Costs represent non-recurring transaction and transition costs associated with preparing the businesses for independent operations consisting primarily of financial advisory fees, legal fees, accounting fees, tax services and information systems infrastructure duplication, and financing and related costs to redistribute debt and secure investment grade ratings for both the Kraft Foods Group Business and the Mondelez International Business. Spin-Off Costs for the nine months ended September 30, 2012 were \$984 million, or \$654 million after-tax and include \$619 million of pre-tax financing and related costs recorded in interest and other expense, net.
- (6) Restructuring Program costs for the nine months ended September 30, 2012 were \$238 million, or \$150 million after-tax and represent non-recurring restructuring and related implementation costs reflecting primarily severance, asset disposals and other manufacturing related non-recurring costs.

Mondelez International, Inc. and Subsidiaries
(Includes the Results of Kraft Foods Group, Inc.)
Reconciliation of GAAP to Non-GAAP Information
Diluted Earnings Per Share
Constant Currency Growth
For the Nine Months Ended September 30,
(Unaudited)

Schedule 12

% Growth

	As Reported (GAAP)	Integration Program costs (1)	Spin-off Costs (2)	2012 - 2014 Restructuring Program costs (3)	Operating (Non-GAAP)	Currency (4)	Operating Constant FX (Non- GAAP)	As Reported EPS Growth (GAAP)	Operating EPS Growth (Non- GAAP)	Operating Constant FX EPS Growth (Non- GAAP)
2012										
Diluted EPS attributable to Mondelez International	\$ 1.40	\$ 0.04	\$ 0.36	\$ 0.08	\$ 1.88	\$ 0.06	\$ 1.94	(7.9)%	9.3%	12.8%
2011										
Diluted EPS attributable to Mondelez International	\$ 1.52	\$ 0.20	\$ -	\$ -	\$ 1.72	\$ -	\$ 1.72			

- (1) Integration Program costs are defined as the costs associated with combining the Mondelez International and Cadbury businesses, and are separate from those costs associated with the acquisition.
- (2) Spin-Off Costs represent non-recurring transaction and transition costs associated with preparing the businesses for independent operations consisting primarily of financial advisory fees, legal fees, accounting fees, tax services and information systems infrastructure duplication, and financing and related costs to redistribute debt and secure investment grade ratings for both the Kraft Foods Group Business and the Mondelez International Business.
- (3) Restructuring Program costs represent non-recurring restructuring and related implementation costs reflecting primarily severance, asset disposals and other manufacturing related non-recurring costs.
- (4) Includes the favorable foreign currency impact on Mondelez International foreign denominated debt and interest expense due to the strength of the U.S. dollar.

Mondelez International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Information
Adjusted Pro Forma Consolidated Statement of Earnings
(\$ in millions) (Unaudited)

Schedule 13

Three Months Ended September 30, 2012									
GAAP	Kraft Foods Group Operation	Integration Program costs	Spin-Off Costs	Restructuring Program costs	Pension	Interest	Adjusted Pro Forma (Non-GAAP)		
(a)	(b)	(c)	(d)	(e)	(f)	(g)			
Net Revenues	\$12,909	(4,583)	-	-	-	-		\$	8,326
COGS	8,191	(2,985)	(6)	-	(1)	(11)			5,188
Gross Profit	4,718	(1,598)	6	-	1	11			3,138
% NR	36.5%								37.7%
SG&A	2,955	(740)	20	(226)	(4)	(12)			1,993
Asset impairment & exit costs	57	(44)	-	-	(13)	-			-
Amortization of intangibles	54	-	-	-	-	-			54
Operating Income	1,652	(814)	(14)	226	18	23			1,091
% NR	12.8%								13.1%
Interest and other expense, net	864	(127)	-	(457)	-	-	(26)		254
Earnings from operations	788	(687)	(14)	683	18	23	26		837
Provision for income taxes	129	(205)	(9)	231	7	9	10		172
Effective tax rate	16.4%								20.5%
Net earnings	659	(482)	(5)	452	11	14	16		665
Noncontrolling interest	7	-	-	-	-	-	-		7
Net earnings attributable to Mondelez	\$ 652	\$ (482)	\$ (5)	\$ 452	\$ 11	\$ 14	\$ 16		\$ 658
Diluted EPS attributable to Mondelez shares	\$ 0.36 1,789								\$ 0.37 1,789

Refer to the Non-GAAP Financial Measures section of this document for additional information regarding Adjusted Pro Forma financial results.

- (a) Represents GAAP results for the period.
- (b) Adjustment to eliminate the financial results of Kraft Foods Group, Inc. ("KFG") from operations. The KFG Operation will be classified as a discontinued operation in accordance with GAAP beginning in the fourth quarter of 2012, the period in which the spin-off of the business occurred and prior historical results will be revised to conform to the discontinued operations presentation. Historical results were derived from KFG's unaudited interim combined financial statements included in the KFG Form 10 and were adjusted as follows: (i) to exclude certain corporate and business unit costs that were allocated to KFG as well as dis-synergies which we expect to continue at Mondelez International after the Spin-Off; (ii) to reduce interest expense to remove the interest expense related to the \$4 billion of debt migrated to KFG in July 2012 as if it was migrated effective January 1, 2011; (iii) to exclude royalty income historically reported by KFG that we will not pay following the Distribution Date and to exclude intercompany sales from KFG to Mondelez International in order to properly reflect net revenues from continuing operations.
- (c) Removal of \$14 million net reversal of Integration Program costs and related taxes; these costs directly related to integrating the 2010 Cadbury acquisition and have been removed from the unaudited adjusted pro forma consolidated statements of earnings to provide improved transparency and comparability of our operating results.
- (d) Removal of \$683 million of one-time Spin-Off transaction, transition and financing and related costs and related taxes; these costs directly relate to the Spin-Off of KFG and not recur and as such, have been removed from the unaudited adjusted pro forma consolidated statements of earnings.
- (e) Removal of \$18 million of restructuring and implementation costs and related taxes; these costs directly relate to optimizing our businesses for future operations (the "2012-2014 Restructuring Program") and have been removed from the unaudited adjusted pro forma consolidated statement of earnings to provide improved transparency and comparability of our operating results.
- (f) Reduction in our estimated annual benefit plan expense as a result of transferring certain benefit plan obligations to KFG in the Spin-Off. The reduction in benefit plan expense is estimated to be approximately \$90 million, which reflects a 2012 estimate based on market conditions and benefit plan assumptions as of January 1, 2012. For the three months ended September 30, 2012, a prorated estimate of \$23 million was reflected. The estimates may change significantly as we finalize the amount of net liability transfers and the impacts on our statement of earnings during the fourth quarter of 2012.
- (g) An adjustment to remove \$26 million of interest expense and related taxes. This adjustment is based on the assumed reduction of \$6 billion of our debt on January 1, 2011 from the utilization of funds received from the \$6 billion of notes KFG issued directly and cash proceeds distributed to us in June 2012 in connection with our Spin-Off capitalization plan. Note during the nine months ended September 30, 2012, a portion of the \$6 billion of debt was retired. As such, we adjusted interest expense during this period as if this debt had been repaid on January 1, 2011 to ensure consistency of our assumption and related results.

Mondelez International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Information
Adjusted Pro Forma Consolidated Statement of Earnings
(\$ in millions) (Unaudited)

Schedule 14

Nine Months Ended September 30, 2012									
GAAP	Kraft Foods Group Operation	Integration Program costs	Spin-Off Costs	Restructuring Program costs	Pension	Interest	Adjusted Pro Forma (Non-GAAP)		
(a)	(b)	(c)	(d)	(e)	(f)	(g)			
Net Revenues	\$39,288	(13,768)	-	-	-	-		\$	25,520
COGS	25,033	(9,039)	(14)	-	-	(33)			15,947
Gross Profit	14,255	(4,729)	14	-	-	33			9,573
% NR	36.3%								37.5%
SG&A	8,631	(2,030)	(50)	(365)	(6)	(35)			6,145
Asset impairment & exit costs	239	(155)	-	-	(63)	-			21
Amortization of intangibles	163	-	-	-	-	-			163
Operating Income	5,222	(2,544)	64	365	69	68			3,244
% NR	13.3%								12.7%
Interest and other expense, net	1,846	(278)	-	(619)	-	-	(135)		814
Earnings from operations	3,376	(2,266)	64	984	69	68	135		2,430
Provision for income taxes	864	(760)	(4)	330	25	26	51		532
Effective tax rate	25.6%								21.9%
Net earnings	2,512	(1,506)	68	654	44	42	84		1,898
Noncontrolling interest	18	-	-	-	-	-	-		18
Net earnings attributable to Mondelez	\$ 2,494	\$ (1,506)	\$ 68	\$ 654	\$ 44	\$ 42	\$ 84		\$ 1,880
Diluted EPS attributable to Mondelez shares	\$ 1.40 1,786								\$ 1.05 1,786

Refer to the Non-GAAP Financial Measures section of this document for additional information regarding Adjusted Pro Forma financial results.

- (a) Represents GAAP results for the period.
- (b) Adjustment to eliminate the financial results of Kraft Foods Group, Inc. ("KFG") from operations. The KFG Operation will be classified as a discontinued operation in accordance with GAAP beginning in the fourth quarter of 2012, the period in which the spin-off of the business occurred and prior historical results will be revised to conform to the discontinued operations presentation. Historical results were derived from KFG's unaudited interim combined financial statements included in the KFG Form 10 and were adjusted as follows: (i) to exclude certain corporate and business

- unit costs that were allocated to KFG as well as dis-synergies which we expect to continue at Mondelez International after the Spin-Off; (ii) to reduce interest expense to remove the interest expense related to the \$4 billion of debt migrated to KFG in July 2012 as if it was migrated effective January 1, 2011; (iii) to exclude royalty income historically reported by KFG that we will not pay following the Distribution Date and to exclude intercompany sales from KFG to Mondelez International in order to properly reflect net revenues from continuing operations.
- © Removal of \$64 million of Integration Program costs and related taxes; these costs directly related to integrating the 2010 Cadbury acquisition and have been removed from the unaudited adjusted pro forma consolidated statements of earnings to provide improved transparency and comparability of our operating results.
- (d) Removal of \$984 million of one-time Spin-Off transaction, transition and financing and related costs and related taxes; these costs directly relate to the Spin-Off of KFG and not recur and as such, have been removed from the unaudited adjusted pro forma consolidated statements of earnings.
- (e) Removal of \$69 million of restructuring and implementation costs and related taxes; these costs directly relate to optimizing our businesses for future operations (the "2012-2014 Restructuring Program") and have been removed from the unaudited adjusted pro forma consolidated statement of earnings to provide improved transparency and comparability of our operating results.
- (f) Reduction in our estimated annual benefit plan expense as a result of transferring certain benefit plan obligations to KFG in the Spin-Off. The reduction in benefit plan expense is estimated to be approximately \$90 million, which reflects a 2012 estimate based on market conditions and benefit plan assumptions as of January 1, 2012. For the nine months ended September 30, 2012, a prorated estimate of \$68 million was reflected. The estimates may change significantly as we finalize the amount of net liability transfers and the impacts on our statement of earnings during the fourth quarter of 2012.
- (g) An adjustment to remove \$135 million of interest expense and related taxes. This adjustment is based on the assumed reduction of \$6 billion of our debt on January 1, 2011 from the utilization of funds received from the \$6 billion of notes KFG issued directly and cash proceeds distributed to us in June 2012 in connection with our Spin-Off capitalization plan. Note during the nine months ended September 30, 2012, a portion of the \$6 billion of debt was retired. As such, we adjusted interest expense during this period as if this debt had been repaid on January 1, 2011 to ensure consistency of our assumption and related results.

Mondelez International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Information
Adjusted Pro Forma Consolidated Statement of Earnings
(\$ in millions) (Unaudited)

Schedule 15

Three Months Ended September 30, 2011						
	GAAP	Kraft Foods Group Operation	Integration Program costs	Pension	Interest	Adjusted Pro Forma (Non-GAAP)
	(a)	(b)	©	(d)	(e)	
Net Revenues	\$13,226	\$ (4,448)	\$ -	\$ -	\$ -	\$ 8,778
COGS	8,611	(3,080)	(38)	(11)	-	5,482
Gross Profit	4,615	(1,368)	38	11	-	3,296
% NR	34.9%					37.5%
SG&A	2,866	(605)	(74)	(12)	-	2,175
Asset impairment & exit costs	(7)	2	-	-	-	(5)
Amortization of intangibles	58	-	-	-	-	58
Operating Income	1,698	(765)	112	23	-	1,068
% NR	12.8%					12.2%
Interest and other expense, net	425	(66)	-	-	(78)	281
Earnings from operations	1,273	(699)	112	23	78	787
Provision for income taxes	346	(280)	1	9	29	105
Effective tax rate	27.2%					13.3%
Net earnings	927	(419)	111	14	49	682
Noncontrolling interest	5	-	-	-	-	5
Net earnings attributable to Mondelez	\$ 922	\$ (419)	\$ 111	\$ 14	\$ 49	\$ 677
Diluted EPS attributable to Mondelez	\$ 0.52					\$ 0.38
shares	1,777					1,777

Refer to the Non-GAAP Financial Measures section of this document for additional information regarding Adjusted Pro Forma financial results.

- (a) Represents GAAP results for the period.
- (b) Adjustment to eliminate the financial results of Kraft Foods Group, Inc. ("KFG") from operations. The KFG Operation will be classified as a discontinued operation in accordance with GAAP beginning in the fourth quarter of 2012, the period in which the spin-off of the business occurred and prior historical results will be revised to conform to the discontinued operations presentation. Historical results were derived from KFG's unaudited interim combined financial statements included in the KFG Form 10 and were adjusted as follows: (i) to exclude certain corporate and business unit costs that were allocated to KFG as well as dis-synergies which we expect to continue at Mondelez International after the Spin-Off; (ii) to reduce interest expense to remove the interest expense related to the \$4 billion of debt migrated to KFG in July 2012 as if it was migrated effective January 1, 2011; (iii) to exclude royalty income historically reported by KFG that we will not pay following the Distribution Date and to exclude intercompany sales from KFG to Mondelez International in order to properly reflect net revenues from continuing operations.
- © Removal of \$112 million of Integration Program costs and related taxes; these costs directly related to integrating the 2010 Cadbury acquisition and have been removed from the unaudited adjusted pro forma consolidated statements of earnings to provide improved transparency and comparability of our operating results.
- (d) Reduction in our estimated annual benefit plan expense as a result of transferring certain benefit plan obligations to KFG in the Spin-Off. The reduction in benefit plan expense is estimated to be approximately \$90 million, which reflects a 2012 estimate based on market conditions and benefit plan assumptions as of January 1, 2012. For the three months ended September 30, 2012 and September 30, 2011, a prorated estimate of \$23 million was reflected. The estimates may change significantly as we finalize the amount of net liability transfers and the impacts on our statement of earnings during the fourth quarter of 2012.
- (e) An adjustment to remove \$78 million of interest expense and related taxes. This adjustment is based on the assumed reduction of \$6 billion of our debt on January 1, 2011 from the utilization of funds received from the \$6 billion of notes KFG issued directly and cash proceeds distributed to us in June 2012 in connection with our Spin-Off capitalization plan.

Mondelez International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Information
Adjusted Pro Forma Consolidated Statement of Earnings
(\$ in millions) (Unaudited)

Schedule 16

Nine Months Ended September 30, 2011						
	GAAP	Kraft Foods Group Operation	Integration Program costs	Pension	Interest	Adjusted Pro Forma (Non-GAAP)
	(a)	(b)	©	(d)	(e)	
Net Revenues	\$39,677	\$ (13,546)	\$ -	\$ -	\$ -	\$ 26,131
COGS	25,555	(9,099)	(60)	(33)	-	16,363
Gross Profit	14,122	(4,447)	60	33	-	9,768
% NR	35.6%					37.4%
SG&A	8,807	(1,974)	(292)	(35)	-	6,506
Asset impairment & exit costs	(7)	2	-	-	-	(5)
Amortization of intangibles	172	-	-	-	-	172
Operating Income	5,190	(2,475)	352	68	-	3,095
% NR	13.0%					11.8%
Interest and other expense, net	1,312	(198)	-	-	(233)	881
Earnings from operations	3,838	(2,277)	352	68	233	2,214
Provision for income taxes	1,133	(850)	7	26	88	404
Effective tax rate	29.5%					18.2%
Net earnings	2,705	(1,427)	345	42	145	1,810
Noncontrolling interest	8	-	-	-	-	8
Net earnings attributable to Mondelez	\$ 2,697	\$ (1,427)	\$ 345	\$ 42	\$ 145	\$ 1,802
Diluted EPS attributable to Mondelez	\$ 1.52					\$ 1.02
shares	1,770					1,770

Refer to the Non-GAAP Financial Measures section of this document for additional information regarding Adjusted Pro Forma financial results.

- (a) Represents GAAP results for the period.
- (b) Adjustment to eliminate the financial results of Kraft Foods Group, Inc. ("KFG") from operations. The KFG Operation will be classified as a discontinued operation in accordance with GAAP beginning in the fourth quarter of 2012, the period in which the spin-off of the business occurred and prior historical results will be revised to conform to the discontinued operations presentation. Historical results were derived from KFG's unaudited interim combined financial statements included in the KFG Form 10 and were adjusted as follows: (i) to exclude certain corporate and business unit costs that were allocated to KFG as well as dis-synergies which we expect to continue at Mondelez International after the Spin-Off; (ii) to reduce interest expense to remove the interest expense related to the \$4 billion of debt migrated to KFG in July 2012 as if it was migrated effective January 1, 2011; (iii) to exclude royalty income historically reported by KFG that we will not pay following the Distribution Date and to exclude intercompany sales from KFG to Mondelez International in order to properly reflect net revenues from continuing operations.
- © Removal of \$352 million of Integration Program costs and related taxes; these costs directly related to integrating the 2010 Cadbury acquisition and have been removed from the unaudited adjusted pro forma consolidated statements of earnings to provide improved transparency and comparability of our operating results.
- (d) Reduction in our estimated annual benefit plan expense as a result of transferring certain benefit plan obligations to KFG in the Spin-Off. The reduction in benefit plan expense is estimated to be approximately \$90 million, which reflects a 2012 estimate based on market conditions and benefit plan assumptions as of January 1, 2012. For the nine months ended September 30, 2012 and September 30, 2011, a prorated estimate of \$68 million was reflected. The estimates may change significantly as we finalize the amount of net liability transfers and the impacts on our statement of earnings during the fourth quarter of 2012.
- (e) An adjustment to remove \$233 million of interest expense and related taxes. This adjustment is based on the assumed reduction of \$6 billion of our debt on January 1, 2011 from the utilization of funds received from the \$6 billion of notes KFG issued directly and cash proceeds distributed to us in June 2012 in connection with our Spin-Off capitalization plan.

Mondelez International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Information
Adjusted Pro Forma Operating Income by Segment
(\$ in millions) (Unaudited)

Schedule 17

	Three Months Ended									% Change		
	GAAP	Kraft Foods Group Operation	Integration Program costs	Spin-Off Costs	Restructuring Program costs	Pension	Adjusted Pro Forma (Non-GAAP)	Impact of Currency	Adjusted Pro Forma @ Constant FX (Non-GAAP)	GAAP	Adjusted Pro Forma (Non-GAAP)	Adjusted Pro Forma @ Constant FX (Non-GAAP)
	(a)	(b)	(c)	(d)	(e)	(f)						
September 30, 2012												
Segment Operating income:												
North America	\$1,067	\$ (804)	\$ 3	\$ -	\$ 15	\$ 12	\$ 293	\$ (1)	\$ 292	3.1 %	14.5 %	14.1 %
Europe	415	-	(28)	-	-	-	387	32	419	24.3 %	(0.8)%	7.4 %
Developing Markets	539	(14)	11	25	2	-	563	32	595	(7.4)%	(6.3)%	(1.0)%
Unrealized gains / (losses) on hedging activities	54	(52)	-	-	-	-	2	-	2	n/m	(87.5)%	(87.5)%
Certain U.S. pension plan costs	(90)	60	-	-	-	11	(19)	-	(19)	57.9 %	100.0+%	100.0+%
General corporate expenses	(279)	(4)	-	201	1	-	(81)	(5)	(86)	100.0+%	(36.7)%	(32.8)%
Amortization of intangibles	(54)	-	-	-	-	-	(54)	(1)	(55)	(6.9)%	(6.9)%	(5.2)%
Operating income	<u>1,652</u>	<u>(814)</u>	<u>(14)</u>	<u>226</u>	<u>18</u>	<u>23</u>	<u>1,091</u>	<u>57</u>	<u>1,148</u>	<u>(2.7)%</u>	<u>2.2 %</u>	<u>7.5 %</u>
Segment Operating income margin:												
North America	16.9%						16.6%					
Europe	14.6%						13.6%					
Developing Markets	14.3%						15.2%					
Operating income margin:												
Mondelez International	12.8%						13.1%					

September 30, 2011

Segment Operating income:												
North America	\$1,035	\$ (810)	\$ 19	\$ -	\$ -	\$ 12	\$ 256	\$ -	\$ 256			
Europe	334	-	56	-	-	-	390	-	390			
Developing Markets	582	(12)	31	-	-	-	601	-	601			
Unrealized gains / (losses) on hedging activities	(4)	20	-	-	-	-	16	-	16			
Certain U.S. pension plan costs	(57)	37	-	-	-	11	(9)	-	(9)			
General corporate expenses	(134)	-	6	-	-	-	(128)	-	(128)			
Amortization of intangibles	(58)	-	-	-	-	-	(58)	-	(58)			
Operating income	<u>1,698</u>	<u>(765)</u>	<u>112</u>	<u>-</u>	<u>-</u>	<u>23</u>	<u>1,068</u>	<u>-</u>	<u>1,068</u>			
Segment Operating income margin:												
North America	16.9%						14.8%					
Europe	10.8%						12.6%					
Developing Markets	14.6%						15.2%					
Operating income margin:												
Mondelez International	12.8%						12.2%					

Refer to the Non-GAAP Financial Measures section of this document for additional information regarding Adjusted Pro Forma financial results.

- (a) Represents GAAP results for the period.
- (b) Adjustment to eliminate the financial results of Kraft Foods Group, Inc. ("KFG") from operations. The KFG Operation will be classified as a discontinued operation in accordance with GAAP beginning in the fourth quarter of 2012, the period in which the spin-off of the business occurred and prior historical results will be revised to conform to the discontinued operations presentation. Historical results were derived from KFG's unaudited interim combined financial statements included in the KFG Form 10 and were adjusted as follows: (i) to exclude certain corporate and business unit costs that were allocated to KFG as well as dis-synergies which we expect to continue at Mondelez International after the Spin-Off; (ii) to reduce interest expense to remove the interest expense related to the \$4 billion of debt migrated to KFG in July 2012 as if it was migrated effective January 1, 2011; (iii) to exclude royalty income historically reported by KFG that we will not pay following the Distribution Date and to exclude intercompany sales from KFG to Mondelez International in order to properly reflect net revenues from continuing operations.
- (c) Remove the net reversal of \$14 million of Integration Program costs for the three months ended September 30, 2012 and charges of \$112 million of Integration Program costs for the three months ended September 30, 2011; these costs directly related to integrating the 2010 Cadbury acquisition and have been removed from unaudited adjusted pro forma operating income to provide improved transparency and comparability of our operating results.
- (d) Remove one-time Spin-Off transaction and transition costs of \$226 million for the three months ended September 30, 2012; these costs directly relate to the Spin-Off of KFG and not recur and as such, have been removed from unaudited adjusted pro forma operating income.
- (e) Remove restructuring and implementation costs of \$18 million for the three months ended September 30, 2012; these costs directly relate to optimizing our businesses for future operations (the "2012-2014 Restructuring Program") and have been removed from unaudited adjusted pro forma operating income to provide improved transparency and comparability of our operating results.
- (f) Reduction in our estimated annual benefit plan expense as a result of transferring certain benefit plan obligations to KFG in the Spin-Off. The reduction in benefit plan expense is estimated to be approximately \$90 million, which reflects a 2012 estimate based on market conditions and benefit plan assumptions as of January 1, 2012. For the three months ended September 30, 2012 and September 30, 2011, a prorated estimate of \$23 million was reflected. The estimates may change significantly as we finalize the amount of net liability transfers and the impacts on our statement of earnings during the fourth quarter of 2012.

Mondelez International, Inc. and Subsidiaries Reconciliation of GAAP to Non-GAAP Information Adjusted Pro Forma Operating Income by Segment (\$ in millions) (Unaudited)

Schedule 18

	Nine Months Ended									% Change		
	GAAP	Kraft Foods Group Operation	Integration Program costs	Spin-Off Costs	Restructuring Program costs	Pension	Adjusted Pro Forma (Non-GAAP)	Impact of Currency	Adjusted Pro Forma @ Constant FX (Non-GAAP)	GAAP	Adjusted Pro Forma (Non-GAAP)	Adjusted Pro Forma @ Constant FX (Non-GAAP)
	(a)	(b)	(c)	(d)	(e)	(f)						
September 30, 2012												
Segment Operating income:												
North America	\$3,236	\$ (2,591)	\$ 4	\$ -	\$ 61	\$ 34	\$ 744	\$ 3	\$ 747	0.8 %	5.7 %	6.1 %
Europe	1,195	-	8	-	-	-	1,203	82	1,285	13.1 %	(1.6)%	5.2 %
Developing Markets	1,608	(37)	50	25	7	-	1,653	72	1,725	6.8 %	4.0 %	8.5 %
Unrealized gains / (losses) on hedging activities	101	(58)	-	-	-	-	43	-	43	n/m	100.0+%	100.0+%
Certain U.S. pension plan costs	(237)	157	-	-	-	34	(46)	-	(46)	65.7 %	100.0+%	100.0+%
General corporate expenses	(518)	(15)	2	340	1	-	(190)	(11)	(201)	95.5 %	(20.2)%	(15.5)%
Amortization of intangibles	(163)	-	-	-	-	-	(163)	(8)	(171)	(5.2)%	(5.2)%	(0.6)%
Operating income	<u>5,222</u>	<u>(2,544)</u>	<u>64</u>	<u>365</u>	<u>69</u>	<u>68</u>	<u>3,244</u>	<u>138</u>	<u>3,382</u>	<u>1.4 %</u>	<u>4.8 %</u>	<u>9.3 %</u>
Segment Operating income margin:												
North America	17.3%						14.6%					
Europe	13.3%						13.4%					
Developing Markets	13.9%						14.5%					
Operating income margin:												
Mondelez International	13.3%						12.7%					
September 30, 2011												
Segment Operating income:												
North America	\$3,210	\$ (2,581)	\$ 41	\$ -	\$ -	\$ 34	\$ 704	\$ -	\$ 704			
Europe	1,057	-	165	-	-	-	1,222	-	1,222			
Developing Markets	1,505	(36)	121	-	-	-	1,590	-	1,590			
Unrealized gains / (losses) on hedging activities	(42)	51	-	-	-	-	9	-	9			
Certain U.S. pension plan costs	(143)	89	-	-	-	34	(20)	-	(20)			
General corporate expenses	(265)	2	25	-	-	-	(238)	-	(238)			
Amortization of intangibles	(172)	-	-	-	-	-	(172)	-	(172)			
Operating income	<u>5,150</u>	<u>(2,475)</u>	<u>352</u>	<u>-</u>	<u>-</u>	<u>68</u>	<u>3,095</u>	<u>-</u>	<u>3,095</u>			
Segment Operating income margin:												
North America	17.5%						14.1%					
Europe	11.0%						12.7%					
Developing Markets	12.9%						13.8%					
Operating income margin:												
Mondelez International	13.0%						11.8%					

Refer to the Non-GAAP Financial Measures section of this document for additional information regarding Adjusted Pro Forma financial results.

- (a) Represents GAAP results for the period.
- (b) Adjustment to eliminate the financial results of Kraft Foods Group, Inc. ("KFG") from operations. The KFG Operation will be classified as a discontinued operation in accordance with GAAP beginning in the fourth quarter of 2012, the period in which the spin-off of the business occurred and prior historical results will be revised to conform to the discontinued operations presentation. Historical results were derived from KFG's unaudited interim combined financial statements included in the KFG Form 10 and were adjusted as follows: (i) to exclude certain corporate and business unit costs that were allocated to KFG as well as dis-synergies which we expect to continue at Mondelez International after the Spin-Off; (ii) to reduce interest expense to remove the interest expense related to the \$4 billion of debt migrated to KFG in July 2012 as if it was migrated effective January 1, 2011; (iii) to exclude royalty income historically reported by KFG that we will not pay following the Distribution Date and to exclude intercompany sales from KFG to Mondelez International in order to properly reflect net revenues from continuing operations.
- (c) Remove Integration Program costs of \$64 million for the nine months ended September 30, 2012 and \$352 million for the nine months ended September 30, 2011; these costs directly related to integrating the 2010 Cadbury acquisition and have been removed from unaudited adjusted pro forma operating income to provide improved transparency and comparability of our operating results.
- (d) Remove one-time Spin-Off transaction and transition costs of \$365 million for the nine months ended September 30, 2012; these costs directly relate to the Spin-Off of KFG and not recur and as such, have been removed from unaudited adjusted pro forma operating income.
- (e) Remove restructuring and implementation costs of \$69 million for the nine months ended September 30, 2012; these costs directly relate to optimizing our businesses for future operations (the "2012-2014 Restructuring Program") and have been removed from unaudited adjusted pro forma operating income to provide improved transparency and comparability of our operating results.
- (f) Reduction in our estimated annual benefit plan expense as a result of transferring certain benefit plan obligations to KFG in the Spin-Off. The reduction in benefit plan expense is estimated to be approximately \$90 million, which reflects a 2012 estimate based on market conditions and benefit plan assumptions as of January 1, 2012. For the nine months ended September 30, 2012 and September 30, 2011, a prorated estimate of \$68 million was reflected. The estimates may change significantly as we finalize the amount of net liability transfers and the impacts on our statement of earnings during the fourth quarter of 2012.

Mondelez International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Information
Adjusted Pro Forma Net Revenue by Reportable Segment
(\$ in millions) (Unaudited)

Schedule 19

Three Months Ended						% Change		
GAAP	Kraft Foods Group Operation	Adjusted Pro Forma (Non-GAAP)	Impact of Currency	Organic (Non-GAAP)		GAAP	Adjusted Pro Forma (Non-GAAP)	Organic (Non-GAAP)
September 30, 2012	(a)	(b)						
North America	\$ 6,295	\$ (4,527)	\$ 1,768	\$ 6	\$ 1,774	2.6 %	1.9 %	2.2 %
Europe	2,849	-	2,849	273	3,122	(8.1)%	(8.1)%	0.7 %
Developing Markets	3,755	(56)	3,709	301	4,010	(5.7)%	(6.0)%	1.7 %
Mondelez International	<u>\$12,909</u>	<u>\$ (4,583)</u>	<u>\$ 8,326</u>	<u>\$ 580</u>	<u>\$ 8,906</u>	<u>(2.4)%</u>	<u>(5.1)%</u>	<u>1.5 %</u>
September 30, 2011								
North America	\$ 6,133	\$ (4,398)	\$ 1,735	\$ -	\$ 1,735			
Europe	3,099	-	3,099	-	3,099			
Developing Markets	3,994	(50)	3,944	-	3,944			
Mondelez International	<u>\$13,226</u>	<u>\$ (4,448)</u>	<u>\$ 8,778</u>	<u>-</u>	<u>\$ 8,778</u>			

Refer to the Non-GAAP Financial Measures section of this document for additional information regarding Adjusted Pro Forma financial results.

- (a) Represents GAAP results for the period.
- (b) Adjustment to eliminate the financial results of Kraft Foods Group, Inc. ("KFG") from operations. The KFG Operation will be classified as a discontinued operation in accordance with GAAP beginning in the fourth quarter of 2012, the period in which the spin-off of the business occurred and prior historical results will be revised to conform to the discontinued operations presentation. Historical results were derived from KFG's unaudited interim combined financial statements included in the KFG Form 10 and were adjusted as follows: (i) to exclude certain corporate and business unit costs that were allocated to KFG as well as dis-synergies which we expect to continue at Mondelez International after the Spin-Off; (ii) to reduce interest expense to remove the interest expense related to the \$4 billion of debt migrated to KFG in July 2012 as if it was migrated effective January 1, 2011; (iii) to exclude royalty income historically reported by KFG that we will not pay following the Distribution Date and to exclude intercompany sales from KFG to Mondelez International in order to properly reflect net revenues from continuing operations.

Mondelez International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Information
Adjusted Pro Forma Net Revenue by Reportable Segment
(\$ in millions) (Unaudited)

Schedule 20

Nine Months Ended						% Change		
GAAP	Kraft Foods Group Operation	Adjusted Pro Forma (Non-GAAP)	Impact of Accounting Calendar Changes	Impact of Currency	Organic (Non-GAAP)	GAAP	Adjusted Pro Forma (Non-GAAP)	Organic (Non-GAAP)
September 30, 2012	(a)	(b)						
North America	\$18,698	\$ (13,611)	\$ 5,087	\$ -	\$ 20	\$ 5,107	1.7 %	2.0 %
Europe	9,004	-	9,004	-	653	9,657	(6.6)%	(6.6)%
Developing Markets	11,586	(157)	11,429	-	760	12,189	(0.5)%	(0.7)%
Mondelez International	<u>\$39,288</u>	<u>\$ (13,768)</u>	<u>\$ 25,520</u>	<u>\$ -</u>	<u>\$ 1,433</u>	<u>\$ 26,953</u>	<u>(1.0)%</u>	<u>(2.3)%</u>
September 30, 2011								
North America	\$18,387	\$ (13,402)	\$ 4,985	\$ -	\$ -	\$ 4,985		
Europe	9,640	-	9,640	(269)	-	9,371		
Developing Markets	11,650	(144)	11,506	(92)	-	11,414		
Mondelez International	<u>\$39,677</u>	<u>\$ (13,546)</u>	<u>\$ 26,131</u>	<u>\$ (361)</u>	<u>\$ -</u>	<u>\$ 25,770</u>		

Refer to the Non-GAAP Financial Measures section of this document for additional information regarding Adjusted Pro Forma financial results.

- (a) Represents GAAP results for the period.
- (b) Adjustment to eliminate the financial results of Kraft Foods Group, Inc. ("KFG") from operations. The KFG Operation will be classified as a discontinued operation in accordance with GAAP beginning in the fourth quarter of 2012, the period in which the spin-off of the business occurred and prior historical results will be revised to conform to the discontinued operations presentation. Historical results were derived from KFG's unaudited interim combined financial statements included in the KFG Form 10 and were adjusted as follows: (i) to exclude certain corporate and business unit costs that were allocated to KFG as well as dis-synergies which we expect to continue at Mondelez International after the Spin-Off; (ii) to reduce interest expense to remove the interest expense related to the \$4 billion of debt migrated to KFG in July 2012 as if it was migrated effective January 1, 2011; (iii) to exclude royalty income historically reported by KFG that we will not pay following the Distribution Date and to exclude intercompany sales from KFG to Mondelez International in order to properly reflect net revenues from continuing operations.

Mondelez International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Information
Adjusted Pro Forma Net Revenue by Reportable Segment
(\$ in millions) (Unaudited)

Schedule 21

Three Months Ended						% Change		
GAAP	Kraft Foods Group Operation	Adjusted Pro Forma (Non-GAAP)	Impact of Divestitures	Impact of Currency	Organic (Non-GAAP)	GAAP	Adjusted Pro Forma (Non-GAAP)	Organic (Non-GAAP)
September 30, 2011	(a)	(b)						
North America	\$ 6,133	\$ (4,398)	\$ 1,735	\$ -	\$ (17)	\$ 1,718	4.4 %	5.3 %
Europe	3,099	-	3,099	-	(291)	2,808	16.1 %	16.1 %
Developing Markets	3,994	(50)	3,944	-	(194)	3,750	20.3 %	20.6 %
Mondelez International	<u>\$13,226</u>	<u>\$ (4,448)</u>	<u>\$ 8,778</u>	<u>\$ -</u>	<u>\$ (502)</u>	<u>\$ 8,276</u>	<u>11.5 %</u>	<u>15.7 %</u>
September 30, 2010								
North America	\$ 5,873	\$ (4,226)	\$ 1,647	\$ -	\$ -	\$ 1,647		
Europe	2,670	-	2,670	-	-	2,670		
Developing Markets	3,320	(49)	3,271	(25)	-	3,246		
Mondelez International	<u>\$11,863</u>	<u>\$ (4,275)</u>	<u>\$ 7,588</u>	<u>\$ (25)</u>	<u>\$ -</u>	<u>\$ 7,563</u>		

Refer to the Non-GAAP Financial Measures section of this document for additional information regarding Adjusted Pro Forma financial results.

- (a) Represents GAAP results for the period.
- (b) Adjustment to eliminate the financial results of Kraft Foods Group, Inc. ("KFG") from operations. The KFG Operation will be classified as a discontinued operation in accordance with GAAP beginning in the fourth quarter of 2012, the period in which the spin-off of the business occurred and prior historical results will be revised to conform to the discontinued operations presentation. Historical results were derived from KFG's unaudited interim combined financial statements included in the KFG Form 10 and were adjusted as follows: (i) to exclude certain corporate and business unit costs that were allocated to KFG as well as dis-synergies which we expect to continue at Mondelez International after the Spin-Off; (ii) to reduce interest expense to remove the interest expense related to the \$4 billion of debt migrated to KFG in July 2012 as if it was migrated effective January 1, 2011; (iii) to exclude royalty income historically reported by KFG that we will not pay following the Distribution Date and to exclude intercompany sales from KFG to Mondelez International in order to properly reflect net revenues from continuing operations.

Mondelez International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Information
Adjusted Pro Forma Diluted EPS Attributable to Mondelez International
(\$ in millions) (Unaudited)

Schedule 22

	Three Months Ended							% Change		
	GAAP	Kraft Foods Group Operation	Integration Program costs	Spin-Off Costs	Restructuring Program costs	Pension	Interest	Adjusted Pro Forma (Non-GAAP)	Currency	Adjusted Pro Forma @ Constant FX (Non-GAAP)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)			
September 30, 2012										
Net Earnings attributable to Mondelez	\$ 652	\$ (482)	\$ (5)	\$ 452	\$ 11	\$ 14	\$ 16	\$ 658	\$ 44	\$ 702
shares (in millions)	1,789							1,789		1,789
Diluted EPS attributable to Mondelez	\$0.36							\$ 0.37	\$0.02	\$ 0.39
										(30.6)%
										(2.6)%
										2.6 %
September 30, 2011										
Net Earnings attributable to Mondelez	\$ 922	\$ (418)	\$ 111	\$ -	\$ -	\$ 14	\$ 49	\$ 678	\$ -	\$ 678
shares (in millions)	1,777							1,777		1,777
Diluted EPS attributable to Mondelez	\$0.52							\$ 0.38	\$ -	\$ 0.38

Refer to the Non-GAAP Financial Measures section of this document for additional information regarding Adjusted Pro Forma financial results.

- (a) Represents GAAP results for the period.
- (b) Adjustment to eliminate the financial results of Kraft Foods Group, Inc. ("KFG") from operations. The KFG Operation will be classified as a discontinued operation in accordance with GAAP beginning in the fourth quarter of 2012, the period in which the spin-off of the business occurred and prior historical results will be revised to conform to the discontinued operations presentation. Historical results were derived from KFG's unaudited interim combined financial statements included in the KFG Form 10 and were adjusted as follows: (i) to exclude certain corporate and business unit costs that were allocated to KFG as well as dis-synergies which we expect to continue at Mondelez International after the Spin-Off; (ii) to reduce interest expense to remove the interest expense related to the \$4 billion of debt migrated to KFG in July 2012 as if it was migrated effective January 1, 2011; (iii) to exclude royalty income historically reported by KFG that we will not pay following the Distribution Date and to exclude intercompany sales from KFG to Mondelez International in order to properly reflect net revenues from continuing operations.
- (c) Removal of Integration Program costs, net of taxes.
- (d) Removal of \$452 million of one-time Spin-Off transaction, transition and financing and related costs, net of taxes for the three months ended September 30, 2012; these costs directly relate to the Spin-Off of KFG and will not recur.
- (e) Removal of \$11 million of restructuring and implementation costs, net of taxes, for the three months ended September 30, 2012; these costs directly relate to optimizing our businesses for future operations (the "2012-2014 Restructuring Program") and have been removed to provide improved transparency and comparability of our operating results.
- (f) Reduction in our estimated annual benefit plan expense as a result of transferring certain benefit plan obligations to KFG in the Spin-Off. The reduction in benefit plan expense is estimated to be approximately \$90 million pre-tax, which reflects a 2012 estimate based on market conditions and benefit plan assumptions as of January 1, 2012. For the three months ended September 30, 2012 and 2011, a prorated estimate of \$14 million net of taxes was reflected. The estimates may change significantly as we finalize the amount of net liability transfers and the impacts on our statement of earnings during the fourth quarter of 2012.
- (g) An adjustment to remove \$16 million and \$49 million of interest expense net of taxes for the three months ended September 30, 2012 and 2011, respectively. This adjustment is based on the assumed reduction of \$6 billion of our debt on January 1, 2011 from the utilization of funds received from the \$6 billion of notes KFG issued directly and cash proceeds distributed to us in June 2012 in connection with our Spin-Off capitalization plan. Note during the three months ended September 30, 2012, a portion of the \$6 billion of debt was retired. As such, we adjusted interest expense during this period as if this debt had been repaid on January 1, 2011 to ensure consistency of our assumption and related results.

Mondelez International, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Information
Adjusted Pro Forma Diluted EPS Attributable to Mondelez International
(\$ in millions) (Unaudited)

[Schedule 23](#)

	Nine Months Ended							% Change		
	GAAP	Kraft Foods Group Operation	Integration Program costs	Spin-Off Costs	Restructuring Program costs	Pension	Interest	Adjusted Pro Forma (Non-GAAP)	Currency	Adjusted Pro Forma @ Constant FX (Non-GAAP)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)			
September 30, 2012										
Net Earnings attributable to Mondelez	\$2,494	\$ (1,506)	\$ 68	\$ 654	\$ 43	\$ 42	\$ 84	\$ 1,879	\$ 84	\$ 1,965
shares (in millions)	1,786							1,786		1,786
Diluted EPS attributable to Mondelez	\$ 1.40							\$ 1.05	\$0.05	\$ 1.10
										(7.9)%
										2.9 %
										7.8 %
September 30, 2011										
Net Earnings attributable to Mondelez	\$2,697	\$ (1,425)	\$ 345	\$ -	\$ -	\$ 42	\$ 145	\$ 1,804	\$ -	\$ 1,804
shares (in millions)	1,770							1,770		1,770
Diluted EPS attributable to Mondelez	\$ 1.52							\$ 1.02	\$ -	\$ 1.02

Refer to the Non-GAAP Financial Measures section of this document for additional information regarding Adjusted Pro Forma financial results.

- (a) Represents GAAP results for the period.
- (b) Adjustment to eliminate the financial results of Kraft Foods Group, Inc. ("KFG") from operations. The KFG Operation will be classified as a discontinued operation in accordance with GAAP beginning in the fourth quarter of 2012, the period in which the spin-off of the business occurred and prior historical results will be revised to conform to the discontinued operations presentation. Historical results were derived from KFG's unaudited interim combined financial statements included in the KFG Form 10 and were adjusted as follows: (i) to exclude certain corporate and business unit costs that were allocated to KFG as well as dis-synergies which we expect to continue at Mondelez International after the Spin-Off; (ii) to reduce interest expense to remove the interest expense related to the \$4 billion of debt migrated to KFG in July 2012 as if it was migrated effective January 1, 2011; (iii) to exclude royalty income historically reported by KFG that we will not pay following the Distribution Date and to exclude intercompany sales from KFG to Mondelez International in order to properly reflect net revenues from continuing operations.
- (c) Removal of Integration Program costs, net of taxes.
- (d) Removal of \$654 million of one-time Spin-Off transaction, transition and financing and related costs, net of taxes for the nine months ended September 30, 2012; these costs directly relate to the Spin-Off of KFG and will not recur.
- (e) Removal of \$43 million of restructuring and implementation costs, net of taxes, for the nine months ended September 30, 2012; these costs directly relate to optimizing our businesses for future operations (the "2012-2014 Restructuring Program") and have been removed to provide improved transparency and comparability of our operating results.
- (f) Reduction in our estimated annual benefit plan expense as a result of transferring certain benefit plan obligations to KFG in the Spin-Off. The reduction in benefit plan expense is estimated to be approximately \$90 million pre-tax, which reflects a 2012 estimate based on market conditions and benefit plan assumptions as of January 1, 2012. For the nine months ended September 30, 2012 and 2011, a prorated estimate of \$42 million net of taxes was reflected. The estimates may change significantly as we finalize the amount of net liability transfers and the impacts on our statement of earnings during the fourth quarter of 2012.
- (g) An adjustment to remove \$84 million and \$145 million of interest expense net of taxes for the nine months ended September 30, 2012 and 2011, respectively. This adjustment is based on the assumed reduction of \$6 billion of our debt on January 1, 2011 from the utilization of funds received from the \$6 billion of notes KFG issued directly and cash proceeds distributed to us in June 2012 in connection with our Spin-Off capitalization plan. Note during the nine months ended September 30, 2012, a portion of the \$6 billion of debt was retired. As such, we adjusted interest expense during this period as if this debt had been repaid on January 1, 2011 to ensure consistency of our assumption and related results.

SOURCE Mondelez International, Inc.

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