
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 18, 2014

MONDELÉZ INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction
of incorporation)

1-16483
(Commission
File Number)

52-2284372
(I.R.S. Employer
Identification No.)

Three Parkway North, Deerfield, Illinois
(Address of Principal executive offices)

60015
(Zip Code)

Registrant's Telephone number, including area code: (847) 943-4000

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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-

Item 7.01. Regulation FD Disclosure.

On February 18, 2014, Mondelēz International, Inc. issued a press release relating to its presentation at the Consumer Analyst Group of New York 2014 Conference. A copy of the press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K.

A live audio webcast of the presentation will be available in the investors section of our website, www.mondelezinternational.com. An archived replay of the presentation and the presentation slides will be available on the website for one year following the webcast. The presentation slides, including the related Regulation G reconciliations, are being furnished as Exhibit 99.2 to this Current Report on Form 8-K.

This information, including Exhibits 99.1 and 99.2, will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that section, and it will not be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) The following exhibits are being furnished with this Current Report on Form 8-K.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Mondelēz International, Inc. Press Release, dated February 18, 2014.
99.2	Mondelēz International, Inc. Slide Presentation, dated February 18, 2014.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MONDELEZ INTERNATIONAL, INC.

Date: February 18, 2014

/s/ Carol J. Ward

Name: Carol J. Ward

Title: Vice President and Corporate Secretary

EXHIBIT INDEX

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Mondelēz International Details Long-Term Growth Targets and Margin-Improvement Plans at CAGNY

BOCA RATON, Fla. – Feb. 18, 2014 – At the Consumer Analyst Group of New York (CAGNY) conference today, executives of Mondelēz International highlighted the company’s competitive advantages, long-term growth targets and margin-improvement initiatives. The company also provided detailed insights into the performance and outlook of its North American business.

“With an unrivaled portfolio of iconic brands, leading share positions in all of our key categories and an advantaged geographic footprint, we have the best set of assets in our industry,” said Irene Rosenfeld, Chairman and CEO. “The plans we’re executing now will enable us over the long term to deliver strong top-line growth, significantly expand margins, grow Adjusted EPS double digits and continue to generate solid cash flow. We believe these efforts will drive top-tier shareholder returns.”

Snacking: A \$1.2 Trillion Opportunity with Attractive Growth Prospects

The company highlighted that snacking is a \$1.2 trillion market worldwide, offering attractive growth and margin prospects.

“Historically, our snacks categories have grown at rates of around 6 percent,” Rosenfeld said. “Although categories have slowed recently, we expect snacks categories will recover, as they are well-aligned with consumer needs to fuel our bodies, treat ourselves and boost our minds. In fact, consumers continue to move away from large meals at fixed times to more frequent and smaller snacking occasions. Snacks consumption also increases as GDP per capita rises in emerging markets like Brazil, Russia, India and China.”

In addition, snacks carry higher margins than many other food products due to low private label penetration and a large percentage of sales from immediate consumption channels.

Supply Chain Reinvention and ‘Fit For Purpose’ Overheads to Expand Margins

Dave Brearton, Executive Vice President and CFO, highlighted the company’s initiatives to expand margins, including improvements to Adjusted Operating Income margin of 500 and 250 basis points in North America and Europe, respectively, by 2016.

The biggest driver behind these targets is the reinvention of the supply chain. Over the next three years, the company expects to deliver \$3 billion in gross productivity savings, \$1.5 billion in net productivity and \$1 billion in incremental cash.

Brearton highlighted that significant progress has already been made. To date, 30 plants have been streamlined, closed or sold. At the same time, the company is building leading-edge facilities in Mexico and India and significantly expanding facilities in the Czech Republic, the UK and the U.S.

“Overhead savings will also be a major contributor to margin gains,” said Brearton. “We’re accelerating our cost-reduction efforts by ensuring that our overheads are ‘fit for purpose’ for the size and scope of our company and by adopting zero-based budgeting.”

Putting it all together, the company affirmed the following long-term targets:

- Organic Net Revenue growth: At or above category growth
- Adjusted Operating Income growth: High single-digit growth at constant currency
- Adjusted EPS growth: Double-digit growth at constant currency

Sustaining Growth and Expanding Margin in North America

Mark Clouse, EVP and President, North America, detailed the company’s strategic plans to deliver sustainable revenue growth and improve margins in its \$7 billion business in the U.S. and Canada.

“By focusing on our Power Brands, innovation platforms and our Direct Store Delivery operation, we expect to deliver sustainable growth and outpace our competitors. And through better cost management and the reinvention of our supply chain, we’ll significantly expand our margins to bring us in line with our peers,” said Clouse. “In 2013, we delivered strong growth on the top line and made significant progress against our 500-point margin expansion target.”

A live audio webcast of the CAGNY presentation will be available in the investors section of the company’s website (www.mondelezinternational.com) at 12:30 p.m. ET today. An archived replay of the presentation with accompanying slides will be available on the website for one year following the webcast.

About Mondelēz International

Mondelēz International, Inc. (NASDAQ: MDLZ) is a global snacking powerhouse, with 2013 revenue of \$35 billion. Creating delicious moments of joy in 165 countries, Mondelēz International is a world leader in chocolate, biscuits, gum, candy, coffee and powdered beverages, with billion-dollar brands such as *Cadbury*, *Cadbury Dairy Milk* and *Milka* chocolate, *Jacobs* coffee, *Oreo*, *LU* and *Nabisco* biscuits, *Tang* powdered beverages 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 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 “will,” “expect,” “believe,” “deliver” and similar expressions are intended to identify our forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make about our future performance, including future revenue growth, earnings per share, operating income, margins, cash flow and shareholder returns; and the drivers of our future performance, including investments, productivity improvements and cost reductions. 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, risks from operating globally and in emerging markets, continued consumer weakness, continued volatility of commodity and other input costs, pricing actions, continued weakness in economic conditions, business disruptions, increased competition and tax law changes. For additional information on these and other factors that could affect our forward-looking statements, 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. We disclaim and do 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

CAGNY Conference

February 18, 2014



Irene Rosenfeld

Chairman and CEO



Forward-looking statements

This slide presentation contains a number of forward-looking statements. Words, and variations of words, such as “will,” “expect,” “may,” “should,” “likely,” “believe,” “deliver,” “guidance” and similar expressions are intended to identify our forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make about our future performance, including future revenue growth, earnings per share, operating income, margins, taxes, cash flow, market shares and shareholder returns; the drivers of our future performance, including investments, productivity improvements and cost reductions; and dividends, share repurchases and uses of cash. 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, risks from operating globally and in emerging markets, continued consumer weakness, continued volatility of commodity and other input costs, pricing actions, continued weakness in economic conditions, business disruptions, increased competition and tax law changes. For additional information on these and other factors that could affect our forward-looking statements, 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. We disclaim and do not undertake any obligation to update or revise any forward-looking statement in this slide presentation, except as required by applicable law or regulation.

Mondelēz International



Agenda

- Long-term growth algorithm and targets
- Margin improvement and capital allocation
- Sustaining growth and margin expansion in North America

A global snacks powerhouse

- \$35 billion revenues in 2013
- 75% in fast-growing snacks
- Category leadership
- Favorite snacks brands
- Proven innovation platforms
- Advantaged geographic footprint



Snacking is a \$1.2 trillion global market

In between
meals



As a replacement for
a meal



Three broad reasons why people snack



~25%



~60%



~15%







% of MDLZ
Portfolio



Snacks are growth categories around the world







- Well-aligned with consumer trends
- Expandable consumption
- Growth with GDP in emerging markets
- Higher margins

Near-term global category growth rates have slowed, but expected to return to historical levels

Category	2011	2012	2013
 Biscuits	7.3%	7.4%	5.5%
 Chocolate	5.9%	6.0%	5.3%
 Gum	2.0%	0.1%	0.7%
 Candy	6.4%	6.2%	4.5%
Total Snacks	6.1%	5.9%	4.7%
 Powdered Beverages	9.7%	11.5%	10.6%
 Coffee	12.3%	7.2%	(1.9)%
Total Global Category Growth*	6.8%	6.1%	3.8%

* Total Global Category Growth includes biscuits, chocolate, gum, candy, coffee, powdered beverages and cream cheese categories in key markets.

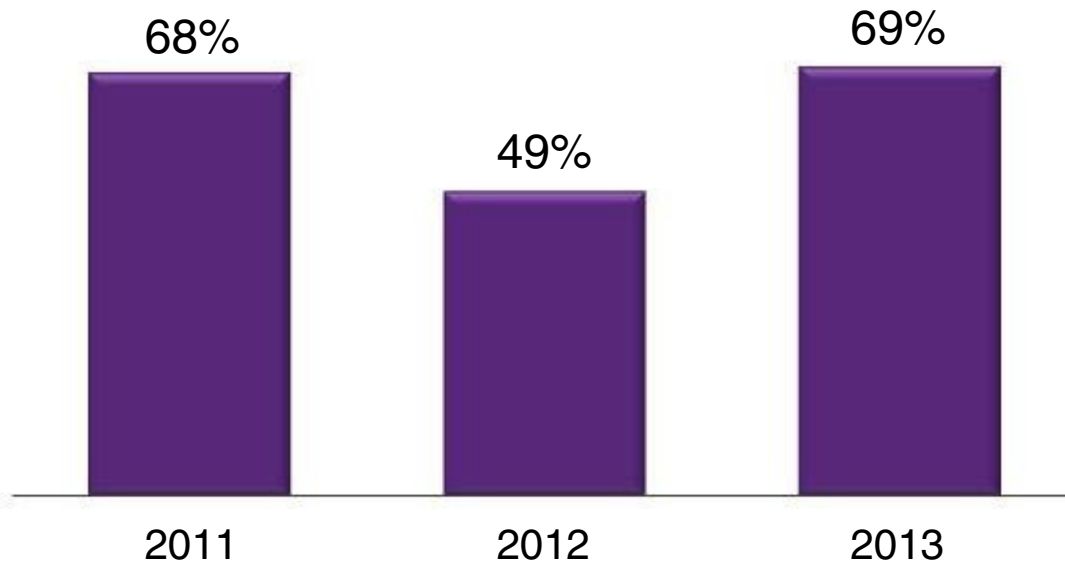
We are a leader in our categories

	North America	Europe	Latin America	Asia Pacific	Eastern Europe	Middle East & Africa	Global	Market Share
 Biscuits	#1	#1	#1	#1	#1	#1	#1	18%
 Chocolate	--	#1	#2	#1	#2	#1	#1	15%
 Gum	#2	#3	#1	#3	#2	#1	#2	30%
 Candy	#3	#2	#2	#3	--	#1	#1	7%
<hr/>								
 Coffee	--	#2	--	#2	#2	#3	#2	11%
 Powdered Beverages	--	--	#1	#1	#3	#2	#1	16%

Source: Euromonitor market share

Driving market share gains across our portfolio

% Revenues Gaining or Holding Share⁽¹⁾



2013 by Category

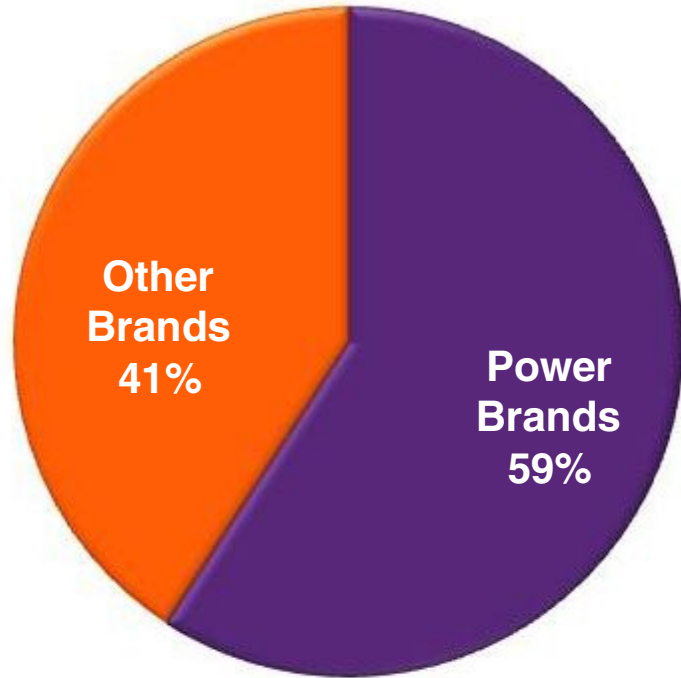
Chocolate	~80%
Biscuits	~70%
Gum & Candy	~50%
Beverages, Cheese & Grocery	~65%



(1) Defined as percentage of revenues in key markets for the category with share either increasing or flat versus the same prior year period. Based on Global Nielsen data for measured channels for available periods in 2011, 2012 and 2013.



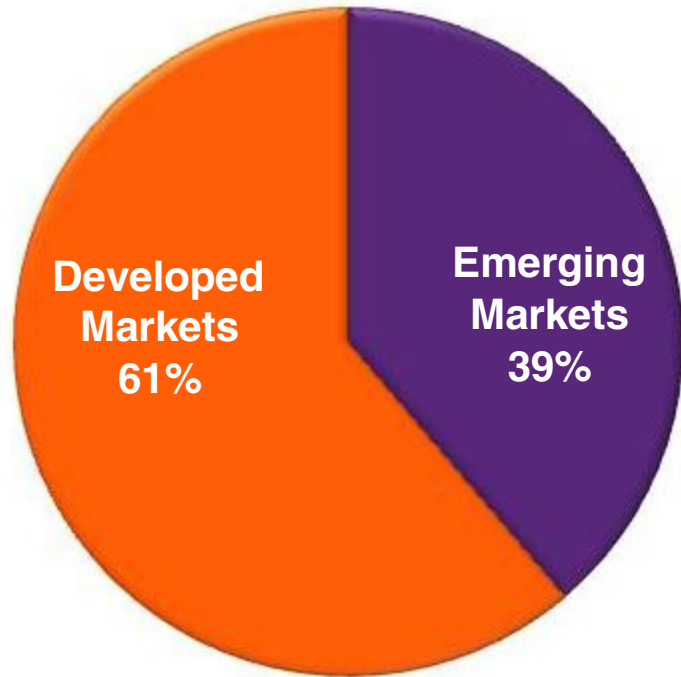
Power Brands and innovation platforms driving growth



Based on 2013 Revenue

- Power Brands growing ~2x company rate
 - Significantly higher gross margins
- ~13% of total revenue from new products

Large, growing emerging markets footprint



Based on 2013 Revenue

- Revenue +9% in 2013
- Expected to comprise ~45% of total revenue by 2016

Well-positioned for growth and value creation

Long-Term Targets

**Organic Net Revenue Growth:
At or Above Category Growth**



**Adjusted Operating Income
Growth: High Single Digit**



**Adjusted EPS Growth:
Double Digit**

- Fast growing categories
 - Category leadership
 - Power Brands & innovation platforms
 - Emerging markets footprint
-
- Targeting 14%-16% Adj. OI Margin by 2016
 - Supply chain reinvention
 - Fit for Purpose overheads
-
- Modest increases in debt / interest
 - Share repurchases

Dave Brearton

CFO

Supply Chain Reinvention driving gross margin improvement

Priorities

- 1 Step change leadership talent & capabilities
- 2 Transform global manufacturing platforms
- 3 Redesign the supply chain network
- 4 Drive productivity programs to fuel growth
- 5 Improve cash management



3 Year Financial Goals

**\$3B Gross Productivity
Cost Savings**

(~\$1B/per year; ~4.5% of COGS)

**\$1.5B Net Productivity
Cost Savings**

(~\$0.5B/per year; ~2.3% of COGS)

\$1B Cash Flow



Making significant progress in SCR initiative

1

Talent & Capabilities

- Changed 40 of 115 key roles
- Strengthened L6S capabilities

2

Manufacturing Platforms

- New biscuit, chocolate and gum platforms on track
- Lead lines installed or on order

3

Network Redesign

- 30 plants restructured
- Reduced 3,000+ FTEs
- Greenfield & major expansions underway across globe

4

Productivity

- Gross Productivity of 4.5%
- Net Productivity of 2.5%

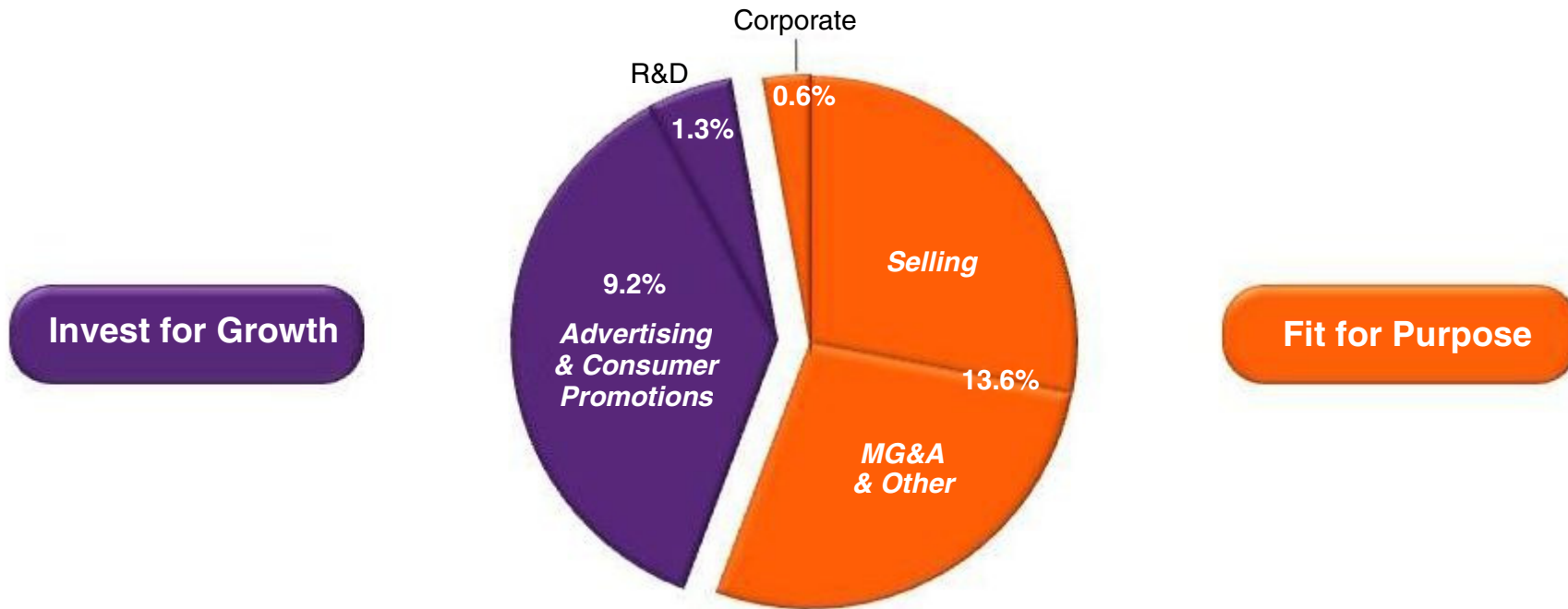
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Cash Management

- Significantly reduced cash cycle

Targeting “Fit for Purpose” overheads

2013 SMG&A Expense as % of Net Revenue



2013 Adjusted SG&A was 24.8% of Revenue⁽¹⁾



(1) Reported SG&A as a % of net revenues was 24.6% in FY 2013. See GAAP to Non-GAAP reconciliation at the end of this presentation



Zero-Based Budgeting will accelerate cost reductions

- Savings will drive margin improvement and fuel growth investments
- Using to identify and capture sustainable cost savings opportunities
 - Retain balance between top- and bottom-line goals
 - Improve efficiency and effectiveness
- Aligned leadership, internal teams and external resources
- Quick wins to build momentum, create more cost-focused culture

Driving double-digit Adjusted EPS growth

- Primarily driven by high single-digit Adjusted Operating Income growth
- Modest increases in absolute debt and interest expense
- Tax rate of ~20% for the next few years, gradually increasing to mid-20s

Strong Free Cash Flow

(\$ in billions)	FY 13	FY 14E	Combined 2013 & 2014
Net Cash Provided by Operating Activities excluding items and Restructuring Program⁽¹⁾	\$4.1⁽³⁾	\$4.1+	\$8.2+
Capital Expenditures (ex Restructuring Program) % of Net Revenues	(1.5) 4.4%	~(2.0) 5%+	~(3.5)
2012-14 Restructuring Program	(0.3)	~(0.7)	~(1.0)
Free Cash Flow excluding items⁽²⁾	\$2.3⁽³⁾	\$1.4+	\$3.7+

(1) Net cash provided by operating activities excluding items and restructuring program excludes the following: net cash received due to the resolution of the Starbucks arbitration, cash payments made for accrued interest and other related fees associated with the debt tendered on December 18, 2013 and cash payment made for the 2012-2014 Restructuring Program.

(2) Free Cash Flow excluding items is defined as Free Cash Flow (net cash provided by operating activities less capital expenditures) excluding the following: net cash received due to the resolution of the Starbucks arbitration, and cash payments made for accrued interest and other related fees associated with the debt tendered on December 18, 2013

(3) Net cash provided by operating activities was \$6.4 billion for FY 2013. See GAAP to Non-GAAP reconciliations at the end of this presentation.

Disciplined capital deployment based on returns

- Reinvest in the business to drive top-tier growth
 - Capex ~5% of Net Revenue
 - Route-to-Market/A&C investments in emerging markets
- Tack-on M&A, especially in emerging markets
- Return of capital to shareholders
 - Dividend increased 8% in 2013
 - \$7.7B share buyback program through 2016; \$2.7B in 2013
- Pay down debt to preserve balance sheet flexibility
 - Committed to investment grade rating, access to Tier 2 CP

Well-positioned for growth and value creation

Long-Term Targets

**Organic Net Revenue Growth:
At or Above Category Growth**



**Adjusted Operating Income
Growth: High Single Digit**



**Adjusted EPS Growth:
Double Digit**

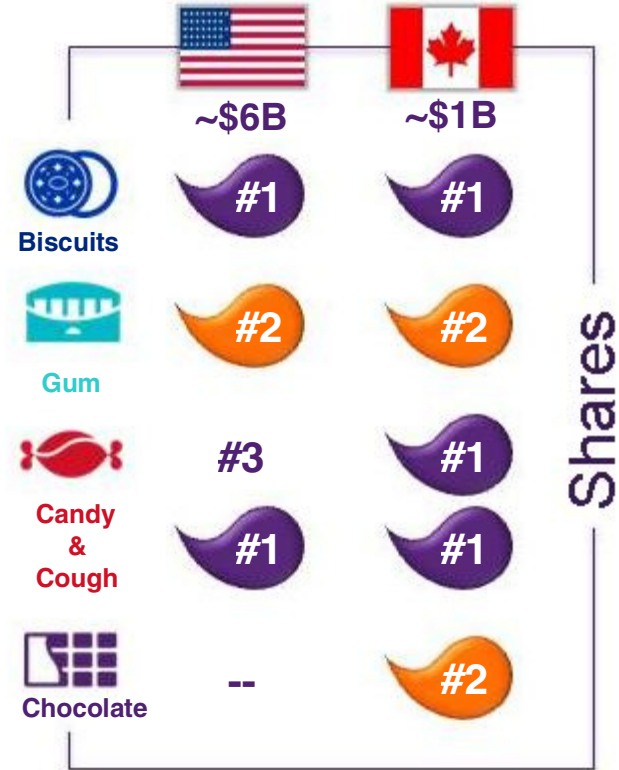
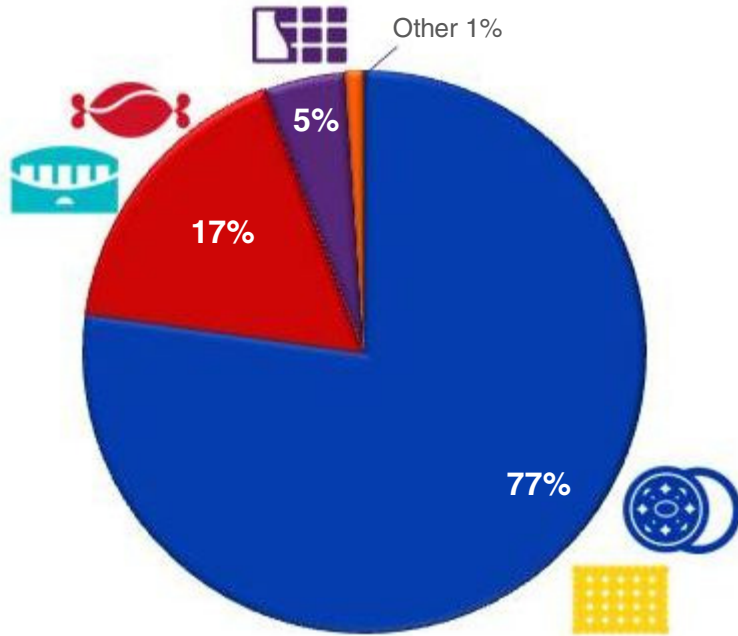
- Fast growing categories
 - Category leadership
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- Targeting 14%-16% Adj. OI Margin by 2016
 - Supply chain reinvention
 - Fit for Purpose overheads
-
- Modest increases in debt / interest
 - Share repurchases

Mark Clouse

President, North America

A North American snacks powerhouse

2013 Net Revenue: \$7B



Source: ACNielsen



Significant progress towards goals, roadmap in place

Objective	Goal	2013 Results	Roadmap
Sustainable Revenue Growth	“At or Above Category”	Organic NR +2.9% ⁽¹⁾	Power Brands & Platforms Sales Execution & DSD
Transform Margins	+500 bps to ~19% by 2016	Adj. SOI Margin 14.9% ⁽²⁾ , +110 bps	Supply Chain Reinvention
World Class Team	“Fit for Purpose”	Category Model In Place	Fit for Purpose Organization



(1) Reported net revenues increased 1.3% for FY 2013. See GAAP to Non-GAAP reconciliation at the end of this presentation.

(2) Reported Segment Operating Income margin was 12.7% in FY 2013. See GAAP to Non-GAAP reconciliation at the end of this presentation.



Power Brands focused on snacking needs



FUEL
TO FEED
MY BODY

POWER BRANDS

Triscuit belVita



Wheat Thins Newtons



TREAT
TO LIFT UP
MY MOOD

POWER BRANDS

OREO

Chips Ahoy!

Trident

RITZ Cadbury



BOOST
& REFRESH
MY MIND

POWER BRANDS

Stride

HALLS

Power Brand focus driving acceleration and turnaround



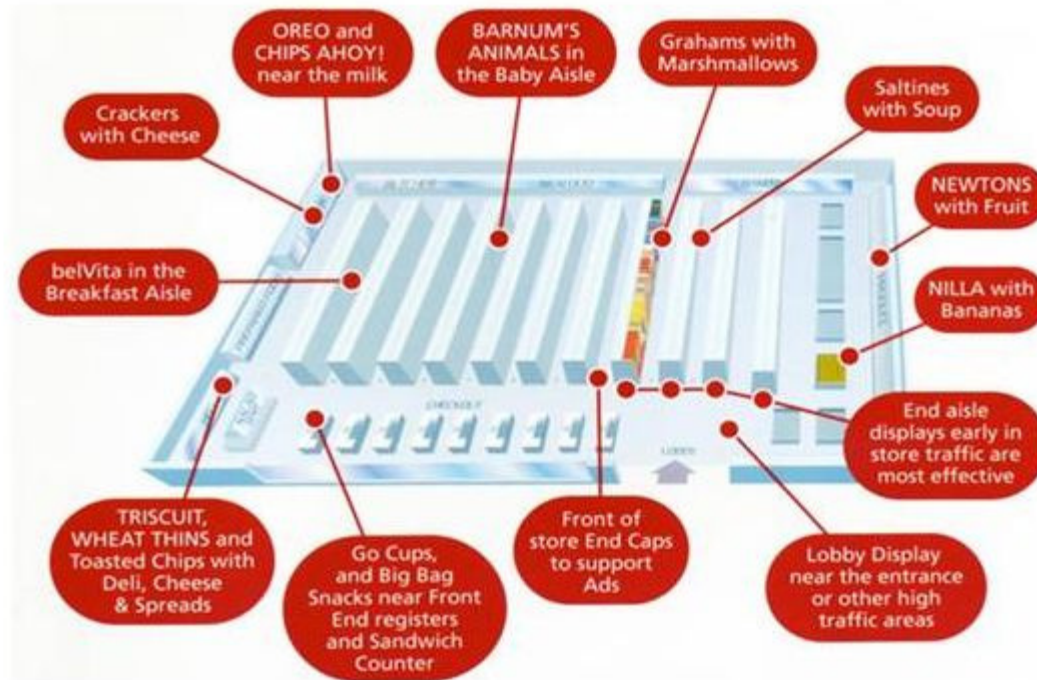
Innovation is creating incremental usage



Sales strength pulls it all together



DSD is critical to winning in store



- Displays are the best source of incremental sales
- Multiple touch points drive impulse purchases

Significant margin opportunity in supply chain

- Manufacturing
 - Majority of existing production lines are 60+ years old
 - Many existing bakeries are sub-scale
- Logistics
 - Too many distribution centers
 - Sub-optimal locations

Network redesign underway

**GROWTH PLANT
FOR AMERICAS**



**STREAMLINE
& REINVEST**



**OPTIMIZED
DISTRIBUTION MODEL**



Salinas on track for “Doors Open” in Q4 2014

GROWTH PLANT FOR AMERICAS



- New capacity for Power Brands
- Advantaged assets at advantaged costs
- Fully integrated site



- To open with 5 lines; expandable to 14 lines
- World-class technology
- Logistic optimization for Mexico hub

Streamlining current footprint

STREAMLINE & REINVEST



- Streamline subscale facilities
- Upgrading assets and simplifying portfolio

- Completed closure of Lakeshore Bakery, Toronto
 - 550 positions affected
- Announced closure of Philadelphia Bakery
 - 350 positions affected with closure by early 2015
- Upgrading North American asset base
 - Installing 16 new lines

Optimizing distribution infrastructure

OPTIMIZED DISTRIBUTION MODEL



- Reduced warehouse footprint
- Enhanced RTM capabilities
- Focus on service & end-to-end cost

- Eliminating 4 distribution centers by Q3 2014
 - Enables inventory reductions and service improvements
 - 3 already exited
 - 5% reduction in warehouse costs
- Transportation efficiencies & effectiveness
 - Improved geographic footprint
 - Ship direct to branches
- Service improvements
 - Case fill improved ~5 pp over the last 2 years
 - On-time delivery improved 10+ pp in 2013

Creating a Fit for Purpose organization

**Streamline &
Simplify**

- Streamline category responsibility
 - Integrate Canada, eliminate redundancy
 - Focus P&L on categories
 - Harmonize & simplify portfolio

**Cost Savings
& Culture**

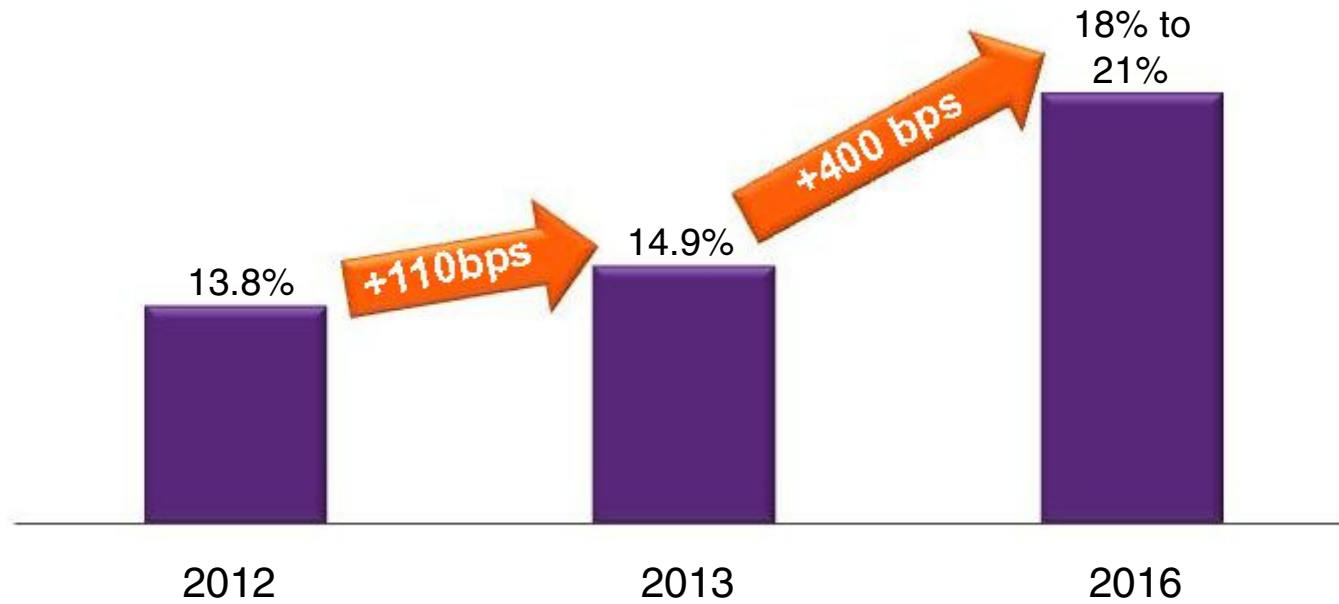
- Lower cost structure and mindset
 - Zero-Based Budgeting
 - Embed sustainable cost leadership into culture

**Prioritized
Capability
Development**

- Aggressively build capabilities to strengthen execution

Plans in place to deliver margin goal

Adjusted Segment Operating Income Margin⁽¹⁾



(1) Reported Segment Operating Income margin was 11.3% in FY 2012 and 12.7% in FY 2013. See GAAP to Non-GAAP reconciliation at the end of this presentation.



Well-positioned for growth and value creation

Sustainable revenue growth

Significant margin improvement

Double-digit Adjusted EPS growth

Strong cash flow



Consistent top-tier financial performance over the long term

Mondelēz International



GAAP to Non-GAAP Reconciliation

Net Revenues to Organic Net Revenues

For the Twelve Months Ended December 31,
(\$ in millions) (Unaudited)

	As Reported/ Revised (GAAP)	Impact of Divestitures⁽¹⁾	Impact of Currency	Organic (Non-GAAP)
North America				
2013	\$ 6,991	\$ (39)	\$ 35	\$ 6,987
2012	\$ 6,903	\$ (110)	\$ -	\$ 6,793
% Change	1.3%	1.0 pp	0.6pp	2.9%

⁽¹⁾ Includes the exit of a product line upon the execution of a licensing agreement in 2013; and a divestiture in 2012



GAAP to Non-GAAP Reconciliation

Operating Income To Adjusted Operating Income

For the Twelve Months Ended December 31,

(\$ in millions, except percentages) (Unaudited)

	As Reported/ Revised (GAAP)	Integration Program and other Acquisition Integration costs ⁽¹⁾	Spin-Off Costs and Related Adjustments ⁽²⁾	2012-2014 Restructuring Program Costs ⁽³⁾	Benefit from Indemnification Resolution ⁽⁴⁾	Operating Income from Divestitures	Gains on Acquisition and Divestitures, net ⁽⁵⁾	Acquisition-related costs	As Adjusted (Non-GAAP)
Mondelēz International									
2013									
Operating Income	\$ 3,971	\$ 220	\$ 62	\$330	\$(336)	\$(6)	\$(30)	\$ 2	\$4,213
Operating Income margin	11.2%								12.0%
2012									
Operating Income	\$ 3,637	\$ 140	\$ 512	\$110	\$ -	\$(79)	\$(107)	\$ 1	\$4,214
Operating Income margin	10.4%								12.2%
North America									
2013									
Segment Operating Income	\$ 889	\$ 1	\$ -	\$160	\$ -	\$(11)	\$ -	\$ -	\$1,039
Segment Operating Income margin	12.7%								14.9%
2012									
Segment Operating Income	\$ 781	\$ 6	\$ 77	\$ 98	\$ -	\$(26)	\$ -	\$ -	\$ 936
Segment Operating Income margin	11.3%								13.8%
Europe									
2013									
Segment Operating Income	\$ 1,699	\$ 88	\$ -	\$131	\$ -	\$(2)	\$ -	\$ -	\$1,916
Segment Operating Income margin	12.1%								13.6%
2012									
Segment Operating Income	\$ 1,762	\$ 47	\$ 1	\$ 6	\$ -	\$(53)	\$ -	\$ -	\$1,763
Segment Operating Income margin	12.8%								13.0%

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

⁽²⁾ Spin-Off Costs represent 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 Mondelēz International business. Spin-Off related adjustments include the pension adjustment defined as the estimated benefit plan expense associated with certain benefit plan obligations transferred to Kraft Foods Group in the Spin-Off.

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

⁽⁴⁾ As part of our 2010 Cadbury acquisition, the company became the responsible party for tax matters under the Cadbury Schweppes Plc and Dr Pepper Snapple Group, Inc. ("DPSG") Tax Sharing and Indemnification Agreement dated May 1, 2008 ("Tax Indemnity") for certain 2007 and 2008 transactions relating to the demerger of Cadbury's Americas Beverage business. A U.S. federal tax audit of DPSG for the 2006-2008 tax years was concluded with the IRS in August 2013. As a result, the company recorded a favorable impact of \$363 million due to the reversal of the accrued liability in excess of the amount paid to DPSG under the Tax Indemnity. The company recorded \$336 million in selling, general and administrative expenses and \$49 million in interest and other expense, net, partially offset by \$22 million of tax expense for an impact of \$0.20 per diluted share.

⁽⁵⁾ On February 22, 2013, the company acquired the remaining interest in a biscuit operation in Morocco, which is now a wholly-owned subsidiary within the EEMEA segment. A pre-tax gain of \$22 million was recorded in connection with the acquisition. In addition, during the twelve months ended December 31, 2013, the company divested a salty snack business in Turkey, a confectionery business in South Africa and a chocolate business in Spain. A pre-tax gain of \$8 million was recorded in connection with these divestitures.

GAAP to Non-GAAP Reconciliation

SG&A Expense To Adjusted SG&A Expense

For the Twelve Months Ended December 31, 2013

(\$ in millions, except percentages) (Unaudited)

	As Reported/Recorded (GAAP)	Integration Program and other Acquisition Integration costs ⁽³⁾	Spin-Off Costs and Related Adjustments ⁽⁴⁾	2012-2014 Restructuring Program Costs ⁽⁵⁾	Benefit from Indemnification Resolution ⁽⁶⁾	Impact from Divesitures	Acquisition-related costs	As Adjusted (Non-GAAP)
Net Revenues	\$ 35,299	\$ -	\$ -	\$ -	\$ -	\$ (70)	\$ -	\$ 35,229
Advertising and Consumer Promotion	\$ 3,234	\$ -	\$ -	\$ -	\$ -	\$ (4)	\$ -	\$ 3,230
Selling, Marketing, G & A and Other/Income & Expense	5,025	(160)	-	(55)	-	(4)	-	4,806
Research and Development	471	1	-	-	-	-	-	472
General corporate expense ⁽¹⁾	283	(1)	(62)	2	-	-	-	222
Other ⁽²⁾	(334)	-	-	-	336	-	(2)	-
Selling, General and Administrative expenses	\$ 8,679	\$ (160)	\$ (62)	\$ (53)	\$ 336	\$ (8)	\$ (2)	\$ 8,730
Advertising and Consumer Promotion	9.2%							9.2%
Selling, Marketing, G & A and Other/Income & Expense	14.2%							13.7%
Research and Development	1.3%							1.3%
General corporate expense ⁽¹⁾	0.8%							0.6%
Other ⁽²⁾	(0.9)%							0.0%
Selling, General and Administrative expenses	24.6%							24.8%

⁽¹⁾ Excludes asset impairment costs recorded within general corporate expenses.

⁽²⁾ Includes benefit from indemnification resolution, and acquisition-related costs.

⁽³⁾ Integration Program costs are defined as the costs associated with combining the Mondelēz International and Cadbury businesses, and are separate from those costs associated with the acquisition.

⁽⁴⁾ Spin-Off Costs represent 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 Mondelēz International business.

⁽⁵⁾ Restructuring Program costs represent related implementation costs included in SG&A reflecting primarily severance and asset disposal costs.

⁽⁶⁾ As part of our 2010 Cadbury acquisition, the company became the responsible party for tax matters under the Cadbury Schweppes Plc and Dr Pepper Snapple Group, Inc. ("DPSG") Tax Sharing and Indemnification Agreement dated May 1, 2008 ("Tax Indemnity") for certain 2007 and 2008 transactions relating to the demerger of Cadbury's Americas Beverage business. A U.S. federal tax audit of DPSG for the 2006-2008 tax years was concluded with the IRS in August 2013. As a result, the company recorded a favorable impact of \$363 million due to the reversal of the accrued liability in excess of the amount paid to DPSG under the Tax Indemnity. The company recorded \$336 million in selling, general and administrative expenses and \$49 million in interest and other expense, net, partially offset by \$22 million of tax expense for an impact of \$0.20 per diluted share.



GAAP to Non-GAAP Reconciliation

Net Cash Provided by Operating Activities and Capital Expenditures

For the Twelve Months Ended December 31, 2013

(\$ in millions) (Unaudited)

Net Cash Provided by Operating Activities (GAAP)	\$ 6,410
<u>Items</u>	
Cash impact of the resolution of the Starbucks arbitration ⁽¹⁾	(2,616)
Cash payments for accrued interest and other related fees associated with debt tendered as of December 18, 2013. ⁽²⁾	81
<u>Restructuring Program</u>	
Cash payments for Restructuring Program expenses	221
Net Cash Provided by Operating Activities excluding items and Restructuring Program (Non-GAAP)	<u>\$ 4,096</u>
Capital Expenditures (GAAP)	\$ 1,622
Restructuring Program capital expenditures	(61)
Capital Expenditures excluding Restructuring Program (Non-GAAP)	<u>\$ 1,561</u>

(1) During the fourth quarter of 2013, the dispute with Starbucks Coffee Company was resolved. The amount noted above reflects the cash received from Starbucks of \$2,764 million net of \$148 million attorney's fees paid.

(2) On December 18, 2013, the company completed a \$3.4 billion cash tender offer for some of its outstanding high coupon long-term debt. The amount above reflects the cash payments associated with accrued interest and other related fees.



GAAP to Non-GAAP Reconciliation

Net Cash Provided by Operating Activities to Free Cash Flow excluding items

For the Twelve Months Ended December 31, 2013

(\$ in millions) (Unaudited)

Net Cash Provided by Operating Activities (GAAP)	\$ 6,410
Capital Expenditures	<u>(1,622)</u>
Free Cash Flow (Non-GAAP)	\$ 4,788
<u>Items</u>	
Cash impact of the resolution of the Starbucks arbitration ⁽¹⁾	(2,616)
Cash payments for accrued interest and other related fees associated with debt tendered as of December 18, 2013. ⁽²⁾	<u>81</u>
Free Cash Flow excluding items (Non-GAAP)	\$ 2,253

⁽¹⁾ During the fourth quarter of 2013, the dispute with Starbucks Coffee Company was resolved. The amount noted above reflects the cash received from Starbucks of \$2,764 million net of \$148 million attorney's fees paid.

⁽²⁾ On December 18, 2013, the company completed a \$3.4 billion cash tender offer for some of its outstanding high coupon long-term debt. The amount above reflects the cash payments associated with accrued interest and other related fees.