



Letter from the Chairman and Chief Executive Officer

April 2, 2018

Dear Fellow Shareholders:

Thank you for your investment in Mondelēz International and for the trust you've placed in me as we continue building the best snacking company in the world.

I'm excited to join Mondelēz International, and it's my privilege to lead the next phase of the company's evolution. I'll work hard to fulfill our potential by delivering balanced top and bottom-line growth. I believe companies that address consumer needs, execute with excellence and adapt more quickly than competitors will consistently win and capture the most growth in the marketplace. Under my leadership, fulfilling real consumer needs will dictate our strategy and our approach to innovation and marketing.

Aided by favorable consumer trends, the future of snacking is bright. And with our combination of iconic brands, global reach, leading market positions, great talent and executional excellence, we're in a strong position to accelerate growth. I'm confident we will achieve our purpose to create more moments of joy for our consumers everywhere, which will generate even more value for our shareholders in 2018 and beyond.

A LOOK BACK AT OUR PROGRESS

Since Mondelēz International's founding in 2012, my predecessor Irene Rosenfeld, together with our management team and Board of Directors, worked diligently to build a leading snacking company uniquely positioned to succeed in a complex business and consumer environment. They successfully executed the spinoff of our North American grocery business, managed through unexpected economic headwinds, reinvented our global supply chain and drove margin expansion and thoughtful cost reduction. As a result, we're a stronger company today than ever before, poised to deliver sustainable growth over the long term.

The positive momentum created by these actions was evident in 2017 as our company delivered strong earnings growth, margin expansion and capital return to shareholders:

- Diluted Earnings Per Share was \$1.91, up 82 percent; Adjusted EPS⁽¹⁾ was \$2.14, up 15 percent on a constant currency basis
- Operating income margin was 13.5 percent, up 360 basis points; Adjusted Operating Income⁽²⁾ margin expanded to 16.3 percent, up 130 basis points
- Net revenues declined 0.1 percent; Organic Net Revenue⁽¹⁾ grew 0.9 percent, fueled by our Power Brands as well as strong growth in emerging markets and Europe
- We returned \$3.4 billion in capital to our shareholders through dividends and share repurchases; since the spin, we've returned more than \$18 billion to our shareholders.

(1) See definition and the GAAP to non-GAAP reconciliation in Annex A to the [Proxy Statement](#) for our 2018 Annual Meeting of Shareholders and the section entitled "Non-GAAP Financial Measures" in our [Annual Report on Form 10-K](#) for the year ended December 31, 2017.

(2) See the GAAP to non-GAAP reconciliation in Annex A to the [Proxy Statement](#) for our 2018 Annual Meeting of Shareholders and the definition and the GAAP to non-GAAP reconciliation in the section entitled "Non-GAAP Financial Measures" in our [Annual Report on Form 10-K](#) for the year ended December 31, 2017.

We exited 2017 with increasing momentum, and we're optimistic we can carry some of that pace forward, given the strength of our global portfolio, our focus on execution and improving currency and commodity market trends. In 2018, we expect to moderately accelerate top-line growth while we focus in parallel on developing strategies to meaningfully improve our growth rate in the future.

NEAR-TERM PRIORITIES

This year marks the last year of our current strategic plan, so my first priority is to execute the 2018 business plan with excellence. My second priority is to review our business and develop a strategic framework that will continue to create sustainable shareholder value in the years to come.

We're taking a fresh approach, challenging existing thinking and exploring new ideas. Already, this has been an energizing process, focused on leveraging our strengths and competitive advantages and candidly addressing challenges we've faced in the past. Some initial focus areas include:

- *Focusing on the consumer:* We're putting the consumer at the center of everything we do and every business decision we make. We need to be laser-focused to respond to trends and rapidly pivot based on the market's response to our products.
- *Keeping our Power Brands relevant:* Our beloved Power Brands will continue to be an important growth engine, and we're determined to constantly evolve them to stay relevant to consumers.
- *Expanding our omnichannel presence:* Our products must be available in the right format at the right price, whenever and wherever consumers shop. This means continuing to enhance successful partnerships with our existing customers, but also boosting our online presence and increasing our distribution in other growing channels, such as convenience, natural and discount stores.
- *Executing with excellence:* Each of our leaders will take full accountability for driving excellent execution across our entire value chain, while continuing to improve efficiency and reduce costs.

Of course, we can only accomplish our goals through our people. So, we're also focused on creating a winning culture that empowers courageous leaders, nurtures innovation and builds world-class capabilities in our diverse and inclusive workforce.

IMPACT FOR GROWTH

At Mondelez International, we're committed to making delicious, high-quality snacks consumers trust, with ingredients they recognize and feel good about. We're empowering farmers and investing in communities to help them thrive. We maintain world-class safety standards for the foods we sell and the facilities in which our people work. We're producing our snacks more sustainably, with less energy, water and waste and in ways that reduce deforestation in our supply chain. And we conduct ourselves with integrity, in compliance with all applicable laws and regulations. We call this "Impact For Growth" – growing our business while having a positive impact on people and the planet.

We use our global scale and focus our efforts where we can have the biggest impact. Following are several examples:

- We're evolving our well-being portfolio to address those areas that are important to consumers. This includes expanding the existing well-being brands in our portfolio and renovating the nutrition and ingredient profile of our Power Brands. We'll continue to inspire consumers to snack mindfully, including offering more portion-control snacks and providing clear and simple nutrition information.

- We're reducing our environmental footprint and have put in place science-based targets for our manufacturing carbon dioxide emissions to help limit climate change. From 2013 to 2020, our manufacturing goals include reducing CO2 emissions by 15 percent, reducing water use by 10 percent in locations where water is most scarce and reducing waste by 20 percent. We're also committed to eliminating 65,000 tonnes of packaging material and using recycled paper or paper from verified non-deforested sources by 2020.
- We're committed to a sustainable cocoa supply chain through our Cocoa Life program. Launched in 2012, we're investing \$400 million over 10 years to empower at least 200,000 cocoa farmers and reach over one million community members in six key cocoa-growing origins: Côte d'Ivoire, Ghana, Indonesia, India, Dominican Republic and Brazil.
- Our Harmony wheat program promotes biodiversity and good environmental practices across Europe. Harmony farmers use precision technology to optimize water use and limit fertilizer and pesticide use. By 2022, we expect 100 percent of our European wheat needs will be covered by the Harmony program.
- Beyond our signature programs, we're embedding sustainability into our sourcing practices for other raw materials. We're seeking more transparency, raising expectations of our suppliers and seeking to catalyze change across the sector. Through this work, we're addressing cross-cutting themes such as good agricultural practices, deforestation, human and labor rights, land rights, gender and environmental footprint.
- Since 2012, the Mondelēz International Foundation, in partnership with leading community organizations, has been transforming the lives of more than a million children around the globe by increasing nutrition knowledge, physical activity and access to fresh fruits and vegetables. Last month, we added new programs in seven countries to build on our commitment to help communities thrive and improve the well-being of school-age children and their families.

You can find more information about our Impact For Growth efforts on our website, including our commitments related to safety, sustainability, well-being snacks and serving the communities in which we operate.

LOOKING AHEAD

I'm very excited to lead an organization that can create more moments of joy all around the world. Throughout our journey, we'll be focused on putting the consumer at the center of everything we do and executing with excellence every day. If we get those two things right, I'm confident we'll deliver sustainable, profitable growth, which will unlock even more value for you, our shareholders.

I look forward to engaging with you in the months ahead as we continue to execute our 2018 plan and build an effective strategic framework for the future. On behalf of the more than 80,000 colleagues of Mondelēz International, thank you for your continued investment and support.

Best regards,




Forward-Looking Statements

This letter to shareholders contains a number of forward-looking statements. Words, and variations of words, such as “will,” “expect,” “believe,” “deliver,” “commitment,” “target” and similar expressions are intended to identify our forward looking statements, including, but not limited to, statements about: our future performance, including our future revenue growth, earnings per share and margins; consumer trends and the future of snacking; growth in our Power Brands; our strategy and strategic review; our Impact for Growth initiatives and targets; and value creation for shareholders. 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 including in emerging markets; changes in currency exchange rates, controls and restrictions; continued volatility of commodity and other input costs; weakness in economic conditions; weakness in consumer spending; pricing actions; tax matters including changes in tax rates and laws, disagreements with taxing authorities and imposition of new taxes; use of information technology and third party service providers; unanticipated disruptions to our business; competition; the restructuring program and our other transformation initiatives not yielding the anticipated benefits; and changes in the assumptions on which the restructuring program is based. 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. Mondelēz International disclaims and does not undertake any obligation to update or revise any forward-looking statement in this letter to shareholders, except as required by applicable law or regulation.