



Five Questions with Irene Rosenfeld Chairman & CEO

1. How would you describe the current operating environment?

As you read news from around the world these days, it's clear that an unprecedented number of economies are facing significant disruption and uncertainty. We're working with a sense of urgency to deal with today's realities, to control what we can – and create contingencies for what we can't.

2. How is Mondelēz International managing for the long-term?

Our strategy is guided by the belief that the “best” companies are those with the brands, platforms and capabilities to create long-term value for shareholders by delivering sustainable growth on both the bottom and top lines. We continue to improve operational efficiencies throughout our business. We also recognize that great companies simply cannot cut their way to long-term growth. We haven't lost sight of the need to invest to support sustainable top-line growth.

We're investing for growth by contemporizing our core business to ensure that our portfolio remains relevant to today's consumers; filling in key white spaces by bringing our Power Brands to growing markets and usage occasions where we're underrepresented today; and expanding sales and distribution capabilities to ensure that our products are available wherever and whenever people shop.

3. What are you doing to help manage and reduce costs?

While we continue to invest to drive the top line, given today's market realities, we've sharpened our focus even more on reducing costs. And you can see the impact on our margins, as cost consciousness has become part of our DNA!

Specifically, our supply chain reinvention program, now in its fifth year, is delivering strong net productivity, and we still have a long runway of opportunity ahead of us. We've actively embraced Zero-Based Budgeting, which has delivered over half a billion dollars of savings from indirect costs, and we're building a global shared services capability, which leverages our scale to simplify and standardize key back-office processes.

4. What actions have you taken to shape and focus the portfolio on attractive snacks categories?

We're constantly working to focus our portfolio, so resources can be deployed to the highest return opportunities. Most recently, we announced an agreement to sell most of our grocery business in Australia and New Zealand, including the Vegemite brand.

At the same time, we're strengthening our portfolio through bolt-on acquisitions in growing markets and consumer segments. For example, we've successfully integrated the Kinh Do snacks business that we acquired in 2015, enabling growth in our Vietnam business. And in our allergy-friendly Enjoy Life Foods business we've expanded capacity and flexibility with the opening of a new U.S.-based manufacturing facility in Indiana, which enabled our recent expansion into the U.K. and Australia.

5. What should we expect in 2017 from MDLZ?

Our industry has been undergoing a period of significant change and heightened volatility. As such, we've built our plans for 2017 assuming that the category environment remains consistent with what we saw in the fourth quarter. Even in this slower growth environment, however, we expect to deliver another year of strong adjusted margin expansion and EPS growth.

Challenging times like these demand decisive actions with a focus on creating value, both now and for the long term. In the face of this environment, we'll continue to focus on what we can control. Further, when the macro picture improves – and we're confident that it will – the foundation we're laying today positions our company to leverage the investments we've made over the years to deliver differentiated growth on both the bottom and top lines.



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