UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2012

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-16483

Mondelēz International, Inc.
(Exact name of registrant as specified in its charter)

Virginia (State or other jurisdiction of incorporation or organization)	**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, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At October 31, 2012, there were 1,777,088,152 shares of the registrant's Class A common stock outstanding.

Mondelēz International, Inc.

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On October 1, 2012, Kraft Foods Inc. changed its name to Mondelēz International, Inc. In this report, for all periods presented, "we," "us," "our," and "Mondelēz International" refer to Mondelēz International, Inc. and subsidiaries (formerly Kraft Foods Inc. and subsidiaries). References to "Common Stock" refer to our Class A common stock.

Our condensed consolidated financial results as of September 30, 2012 and for all prior periods presented include the results of Kraft Foods Group, Inc., our previously owned North American grocery business. On October 1, 2012, we completed the spin-off of Kraft Foods Group, Inc. The spin-off and divestiture of Kraft Foods Group, Inc. have not yet been reflected in our historical results and will be presented as a discontinued operation beginning in our fourth quarter which ends on December 31, 2012. See Notes 1 and 2 for additional information on our reporting Basis of Presentation and the Spin-Off Transaction.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
Net revenues	$ 12,909	$ 13,226	$ 39,288	$ 39,677
Cost of sales	8,191	8,611	25,033	25,555
Gross profit	4,718	4,615	14,255	14,122
Selling, general and administrative expenses	2,955	2,866	8,631	8,807
Asset impairment and exit costs	57	(7)	239	(7)
Amortization of intangibles	54	58	163	172
Operating income	1,652	1,698	5,222	5,150
Interest and other expense, net	864	425	1,846	1,312
Earnings before income taxes	788	1,273	3,376	3,838
Provision for income taxes	129	346	864	1,133
Net earnings	659	927	2,512	2,705
Noncontrolling interest	7	5	18	8
Net earnings attributable to Mondelēz International	$ 652	$ 922	$ 2,494	$ 2,697
Per share data:				
Basic earnings per share attributable to Mondelēz International	$ 0.37	$ 0.52	$ 1.40	$ 1.53
Diluted earnings per share attributable to Mondelēz International	$ 0.36	$ 0.52	$ 1.40	$ 1.52
Dividends declared	$ 0.29	$ 0.29	$ 0.87	$ 0.87

See accompanying notes to the condensed consolidated financial statements.

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

	For the Three Months Ended September 30, 2012	For the Three Months Ended September 30, 2011	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011
Net earnings	$ 659	$ 927	$ 2,512	$ 2,705
Other comprehensive earnings / (losses):				
Currency translation adjustment:				
Translation adjustment	726	(2,446)	528	(722)
Tax (expense) / benefit	17	(126)	26	–
Pension and other benefits:				
Net actuarial gain / (loss) arising during period	(1,583)	(6)	(1,474)	62
Reclassification adjustment for losses / (gains) included in net earnings due to:				
Amortization of experience losses and prior service costs	128	92	377	272
Settlement losses	53	31	113	67
Tax (expense) / benefit	519	(53)	379	(152)
Derivatives accounted for as hedges:				
Net derivative losses	(10)	(590)	(366)	(742)
Reclassification adjustment for losses / (gains) included in net earnings	446	(9)	589	(50)
Tax (expense) / benefit	(164)	233	(93)	291
Total other comprehensive earnings / (losses)	132	(2,874)	79	(974)
Comprehensive earnings / (losses)	791	(1,947)	2,591	1,731
less: Comprehensive earnings / (losses) attributable to noncontrolling interests	14	(10)	19	8
Comprehensive earnings / (losses) attributable to Mondelēz International	$ 777	$ (1,937)	$ 2,572	$ 1,723

See accompanying notes to the condensed consolidated financial statements.

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

	September 30, 2012	December 31, 2011
ASSETS		
Cash and cash equivalents	$ 3,873	$ 1,974
Receivables (net of allowances of $136 in 2012 and $143 in 2011)	7,110	6,361
Inventories, net	6,429	5,706
Deferred income taxes	1,074	912
Other current assets	1,031	1,249
Total current assets	19,517	16,202
Property, plant and equipment, net	14,049	13,813
Goodwill	37,531	37,297
Intangible assets, net	25,196	25,186
Prepaid pension assets	33	31
Other assets	1,453	1,308
TOTAL ASSETS	$ 97,779	$ 93,837
LIABILITIES		
Short-term borrowings	$ 263	$ 182
Current portion of long-term debt	1,920	3,654
Accounts payable	5,499	5,525
Accrued marketing	2,716	2,863
Accrued employment costs	1,212	1,365
Other current liabilities	4,235	4,856
Total current liabilities	15,845	18,445
Long-term debt	27,323	23,095
Deferred income taxes	6,749	6,738
Accrued pension costs	4,107	3,597
Accrued postretirement health care costs	3,751	3,238
Other liabilities	3,326	3,396
TOTAL LIABILITIES	61,101	58,509
Commitments and Contingencies (Note 12)		
EQUITY		
Common Stock, no par value (1,996,537,778 shares issued in 2012 and 2011)	–	–
Additional paid-in capital	31,381	31,318
Retained earnings	18,921	18,012
Accumulated other comprehensive losses	(6,559)	(6,637)
Treasury stock, at cost	(7,192)	(7,476)
Total Mondelēz International Shareholders' Equity	36,551	35,217
Noncontrolling interest	127	111
TOTAL EQUITY	36,678	35,328
TOTAL LIABILITIES AND EQUITY	$ 97,779	$ 93,837

See accompanying notes to the condensed consolidated financial statements.

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

	Mondelēz International Shareholders' Equity						
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Earnings / (Losses)	Treasury Stock	Noncontrolling Interest	Total Equity
Balances at January 1, 2011	$ –	$ 31,231	$ 16,619	$ (3,890)	$ (8,126)	$ 108	$ 35,942
Comprehensive earnings / (losses):							
Net earnings	–	–	3,527	–	–	20	3,547
Other comprehensive losses, net of income taxes	–	–	–	(2,747)	–	(10)	(2,757)
Exercise of stock options and issuance of other stock awards	–	100	(86)	–	650	–	664
Cash dividends declared ($1.16 per share)	–	–	(2,048)	–	–	–	(2,048)
Dividends paid on noncontrolling interest and other activities	–	(13)	–	–	–	(7)	(20)
Balances at December 31, 2011	$ –	$ 31,318	$ 18,012	$ (6,637)	$ (7,476)	$ 111	$ 35,328
Comprehensive earnings / (losses):							
Net earnings	–	–	2,494	–	–	18	2,512
Other comprehensive earnings, net of income taxes	–	–	–	78	–	1	79
Exercise of stock options and issuance of other stock awards	–	63	(40)	–	284	–	307
Cash dividends declared ($0.87 per share)	–	–	(1,545)	–	–	–	(1,545)
Dividends paid on noncontrolling interest and other activities	–	–	–	–	–	(3)	(3)
Balances at September 30, 2012	$ –	$ 31,381	$ 18,921	$ (6,559)	$ (7,192)	$ 127	$ 36,678

See accompanying notes to the condensed consolidated financial statements.

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

	For the Nine Months Ended September 30,	
	2012	2011
CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES		
Net earnings	$ 2,512	$ 2,705
Adjustments to reconcile net earnings to operating cash flows:		
Depreciation and amortization	1,065	1,117
Stock-based compensation expense	135	137
Deferred income tax provision / (benefit)	461	(429)
Unrealized loss on discontinued cash flow hedges	436	–
Asset impairments	94	–
Other non-cash expense, net	98	6
Change in assets and liabilities:		
Receivables, net	(699)	(437)
Inventories, net	(712)	(1,188)
Accounts payable	(104)	(61)
Other current assets	149	(278)
Other current liabilities	(1,284)	489
Change in pension and postretirement assets and liabilities, net	24	(396)
Net cash provided by operating activities	2,175	1,665
CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		
Capital expenditures	(1,229)	(1,281)
Proceeds from sale of property, plant and equipment and other	100	37
Net cash used in investing activities	(1,129)	(1,244)
CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		
Net issuance of short-term borrowings	81	145
Long-term debt proceeds	6,767	35
Long-term debt repaid	(4,336)	(10)
Dividends paid	(1,542)	(1,535)
Other	(142)	522
Net cash provided by / (used in) financing activities	828	(843)
Effect of exchange rate changes on cash and cash equivalents	25	(83)
Cash and cash equivalents:		
Increase / (decrease)	1,899	(505)
Balance at beginning of period	1,974	2,481
Balance at end of period	$ 3,873	$ 1,976

See accompanying notes to the condensed consolidated financial statements.

Note 1. Basis of Presentation

On October 1, 2012, Kraft Foods Inc. changed its name to Mondelēz International, Inc. The condensed consolidated financial statements include Mondelēz International as well as our wholly owned and majority-owned subsidiaries. Our consolidated financial results as of September 30, 2012, and for all prior periods presented, include the results of Kraft Foods Group, Inc., our North American grocery business. The spin-off and divestiture of Kraft Foods Group, Inc. on October 1, 2012 have not yet been reflected in our historical results. See Note 2, *Spin-Off Transaction,* for additional information. Beginning in the fourth quarter which ends on December 31, 2012, we will present the historical results of Kraft Foods Group, Inc. as a discontinued operation and remove it from our results from continuing operations for all presented periods.

Our interim condensed consolidated financial statements are unaudited. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been omitted. It is management's opinion that these financial statements include all normal and recurring adjustments necessary for a fair presentation of our financial position and operating results. Net revenues and net earnings for any interim period are not necessarily indicative of future or annual results.

The condensed consolidated balance sheet data as of December 31, 2011 were derived from audited financial statements, but do not include all disclosures required by U.S. GAAP. You should read these statements in conjunction with our consolidated financial statements and related notes in our Annual Report on Form 10-K for the year ended December 31, 2011.

The majority of our operating subsidiaries report results as of the last Saturday of the period. A portion of our international operating subsidiaries report results as of the last calendar day of the period.

In the second quarter of 2011, we changed the consolidation date for certain operations of our Europe segment and in the Latin America, Central and Eastern Europe ("CEE") and Middle East and Africa ("MEA") regions within our Developing Markets segment. Previously, these operations primarily reported results two weeks prior to the end of the period. Subsequent to the 2011 changes, our Europe segment reports results as of the last Saturday of each period. Certain operations within our Developing Markets segment now report results as of the last calendar day of the period or the last Saturday of the period. These changes resulted in a favorable impact of approximately $360 million on net revenues and approximately $50 million on operating income in the prior-year second quarter as well as in the nine months ended September 30, 2011.

New Accounting Pronouncements:
In July 2012, the Financial Accounting Standards Board ("FASB") issued an accounting standard update to simplify how entities test indefinite-lived intangible assets for impairment. An entity now has the option to first assess qualitative factors to determine whether it is "more likely than not" that the asset may be impaired. If, after assessing the totality of events and circumstances, impairment is determined to be not likely, then performing the quantitative two-step impairment test would not be required. The update is effective for annual indefinite-lived intangible asset impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. We plan to adopt the accounting standard update in the quarter ended December 31, 2012 ahead of our annual intangible asset impairment testing. The new guidance will not have an impact on our financial results but is expected to simplify the indefinite-lived intangible asset testing we do on an annual basis.

Subsequent Events:
We evaluated subsequent events and have reflected accounting and disclosure requirements related to material subsequent events in our financial statements and related notes.

Note 2. Spin-Off Transaction

On October 1, 2012 (the "Distribution Date"), we completed the spin-off of our North American grocery business, Kraft Foods Group, Inc. ("Kraft Foods Group" or the "North American Grocery Business"), to our shareholders (the "Spin-Off"). We continue to hold our global snacks business (the "Global Snacks Business"). On October 1, 2012, each of our shareholders of record as of the close of business on September 19, 2012 ("the Record Date"), received one share of Kraft Foods Group common stock for every three shares of our Common Stock held as of the Record Date. The distribution was structured to be tax free to our U.S. shareholders for U.S. federal income tax purposes.

Kraft Foods Group is now an independent public company trading on The NASDAQ Global Select Market under the symbol "KRFT." After the Spin-Off, we do not beneficially own any shares of Kraft Foods Group common stock and beginning October 1, 2012, we will no longer consolidate Kraft Foods Group within our financial results or reflect the financial results of Kraft Foods Group within our continuing results of operations.

Our historical results include one-time Spin-Off transaction, transition and financing and related costs ("Spin-Off Costs") we have incurred to date. We recorded Spin-Off Costs of $683 million in the three months and $984 million in the nine months ended September 30, 2012. We also recorded $46 million of Spin-Off Costs in the fourth quarter of 2011. We expect to reflect all one-time Spin-Off Costs within our reported results. During 2012, we incurred the Spin-Off costs within pre-tax earnings as follows:

	For the Three Months Ended September 30, 2012	For the Nine Months Ended September 30, 2012
	(in millions)	
Selling, general and administrative expenses	$ 226	$ 365
Interest and other expense, net	457	619
Spin-Off Costs	$ 683	$ 984

On October 1, 2012, in connection with the completion of the Spin-Off, we also changed our name from Kraft Foods Inc. to Mondelēz International, Inc. On October 2, 2012, our shares began to trade on The NASDAQ Global Select Market, under the symbol "MDLZ." Mondelēz International is now a standalone global snacks company and a world leader in chocolate, biscuits, gum, candy, coffee and powdered beverages.

Note 3. Inventories

Inventories at September 30, 2012 and December 31, 2011 were:

	September 30, 2012	December 31, 2011
	(in millions)	
Raw materials	$ 2,024	$ 1,800
Finished product	4,405	3,906
Inventories, net	$ 6,429	$ 5,706

Note 4. Property, Plant and Equipment

Property, plant and equipment at September 30, 2012 and December 31, 2011 were:

	September 30, 2012	December 31, 2011
	(in millions)	
Land and land improvements	$ 764	$ 768
Buildings and building improvements	5,118	4,997
Machinery and equipment	17,641	16,934
Construction in progress	1,365	1,233
	24,888	23,932
Accumulated depreciation	(10,839)	(10,119)
Property, plant and equipment, net	$ 14,049	$ 13,813

Note 5. Goodwill and Intangible Assets

Goodwill by reportable segment at September 30, 2012 and December 31, 2011 was:

	September 30, 2012	December 31, 2011
	(in millions)	
North America:		
U.S. Beverages	$ 1,290	$ 1,290
U.S. Cheese	3,000	3,000
U.S. Convenient Meals	985	985
U.S. Grocery	3,046	3,046
U.S. Snacks	9,125	9,125
Canada & N.A. Foodservice	3,488	3,385
Europe	9,085	9,003
Developing Markets	7,512	7,463
Goodwill	$ 37,531	$ 37,297

Intangible assets at September 30, 2012 and December 31, 2011 were:

	September 30, 2012	December 31, 2011
	(in millions)	
Non-amortizable intangible assets	$ 23,022	$ 22,859
Amortizable intangible assets	2,863	2,853
	25,885	25,712
Accumulated amortization	(689)	(526)
Intangible assets, net	$ 25,196	$ 25,186

Non-amortizable intangible assets consist substantially of brand names purchased through our acquisitions of Nabisco Holdings Corp., the Spanish and Portuguese operations of United Biscuits, the global *LU* biscuit business of Groupe Danone S.A. and Cadbury Limited. Amortizable intangible assets consist primarily of trademark licenses, customer-related intangibles, process technology and non-compete agreements. At September 30, 2012, the weighted-average life of our amortizable intangible assets was 13.2 years.

Amortization expense was $54 million for the three months and $163 million for the nine months ended September 30, 2012 and $58 million for the three months and $172 million for the nine months ended September 30, 2011. We currently estimate annual amortization expense for each of the next five years to be approximately $216 million.

The movements in goodwill and intangible assets were:

	Goodwill	Intangible Assets, at Cost
	(in millions)	
Balance at January 1, 2012	$ 37,297	$ 25,712
Changes due to:		
Foreign currency	234	187
Asset impairments	–	(20)
Other	–	6
Balance at September 30, 2012	$ 37,531	$ 25,885

During the three months ended March 31, 2012, we recorded an impairment charge of $20 million within asset impairment and exit costs for the impairment of an intangible asset in Japan.

Note 6. 2012-2014 Restructuring Program

On March 14, 2012, our Board of Directors approved $1.1 billion of restructuring and related implementation costs (“2012-2014 Restructuring Program”) reflecting primarily severance, asset disposals and other manufacturing-related one-time costs. The primary objective of the restructuring and implementation activities is to ensure that both Kraft Foods Group and Mondelēz International were each set up to operate efficiently and execute their business strategies upon separation of the companies and in the future. On October 23, 2012, our Board of Directors approved $400 million of additional restructuring and related implementation programs within Mondelēz International’s U.S. and European operations, totaling $1.5 billion of total expected 2012-2014 Restructuring Program costs.

Of the $1.5 billion of 2012-2014 Restructuring Program costs, Kraft Foods Group has or expects to incur approximately $575 million of restructuring and implementation costs. As such, these costs will not be included within our results of continuing operations in future periods. We will retain approximately $925 million of the 2012-2014 Restructuring Program.

Restructuring Costs:
On a consolidated historical basis, we recorded restructuring charges of $57 million in the three months and $218 million in the nine months ended September 30, 2012 within asset impairment and exit costs. We spent $19 million in the three months and $61 million in the nine months ended September 30, 2012 in cash severance and related costs. We also recognized non-cash pension plan settlement losses (see Note 10, *Pension, Postretirement and Postemployment Benefit Plans*) and non-cash asset write-downs (including accelerated depreciation and asset impairments) totaling $38 million in the three months and $112 million in the nine months ended September 30, 2012. At September 30, 2012, a $45 million restructuring liability was recorded within other current liabilities.

	Severance and related costs	Asset Write-downs	Total
		(in millions)	
Liability balance, January 1, 2012	$ –	$ –	$ –
Charges	143	75	218
Cash spent	(61)	–	(61)
Non-cash settlements	(37)	(75)	(112)
Liability balance, September 30, 2012	$ 45	$ –	$ 45

Implementation Costs:
Implementation costs are directly attributable to restructuring activities; however, they do not qualify for special accounting treatment as exit or disposal activities. We believe the disclosure of implementation costs provides readers of our financial statements greater transparency to the total costs of our 2012-2014 Restructuring Program. On a consolidated historical basis, we recorded implementation costs of $12 million in the three months and $20 million in the nine months ended September 30, 2012 within cost of sales and selling, general and administrative expense across our North American segments. These costs primarily include reorganization costs related to our sales function and the optimization of information systems infrastructure.

Restructuring and Implementation Costs by Segment:
During the three and nine months ended September 30, 2012, we recorded restructuring and implementation costs within our consolidated segment operating income as follows:

	For the Three Months Ended September 30, 2012		
	Restructuring Costs	Implementation Costs	Total
		(in millions)	
North America:			
U.S. Beverages	$ 19	$ 5	$ 24
U.S. Cheese	10	1	11
U.S. Convenient Meals	5	1	6
U.S. Grocery	6	1	7
U.S. Snacks	14	3	17
Canada & N.A. Foodservice	1	1	2
Europe	–	–	–
Developing Markets	2	–	2
Total	$ 57	$ 12	$ 69

	For the Nine Months Ended September 30, 2012		
	Restructuring Costs	Implementation Costs	Total
		(in millions)	
North America:			
U.S. Beverages	$ 35	$ 6	$ 41
U.S. Cheese	54	2	56
U.S. Convenient Meals	16	2	18
U.S. Grocery	22	2	24
U.S. Snacks	57	6	63
Canada & N.A. Foodservice	27	2	29
Europe	–	–	–
Developing Markets	7	–	7
Total	$ 218	$ 20	$ 238

Note 7. Integration Program

As a result of our combination with Cadbury Limited (formerly, Cadbury plc or “Cadbury”) in 2010, we launched an integration program to realize expected annual cost savings of approximately $800 million by the end of 2013 and revenue synergies from investments in distribution, marketing and product development. In order to achieve these cost savings and synergies and combine and integrate the two businesses, we expect to incur total integration charges of approximately $1.5 billion through the end of 2013 (the “Integration Program”).

Integration Program costs include the costs associated with combining the Cadbury operations within our Global Snacks Business and are separate from the costs related to the acquisition. Since the inception of the Integration Program, we have incurred approximately $1.3 billion of the estimated $1.5 billion total integration charges.

Changes in the Integration Program liability during the nine months ended September 30, 2012 were (in millions):

	2012
Balance at January 1, 2012	$ 346
Charges	64
Cash spent	(184)
Currency / other	(4)
Balance at September 30, 2012	$ 222

We recorded Integration Program charges of $29 million during the three months and $107 million during the nine months ended September 30, 2012. During the three months ended September 30, 2012, we also reversed $43 million of Integration Program charges previously accrued in the fourth quarter of 2010 primarily related to planned and announced position eliminations that did not occur within our Europe segment. The reversal was based on final negotiations with local workers councils, the majority of which were concluded in April 2012. In 2011, we recorded Integration Program charges of $112 million for the three months and $352 million for the nine months ended September 30, 2011. We recorded these charges in operations, as a part of selling, general and administrative expenses primarily within our Europe and Developing Markets segments, as well as within general corporate expenses.

Note 8. Debt

Borrowing Arrangements:
On March 8, 2012, in connection with the Spin-Off, Kraft Foods Group entered into a $4.0 billion 364-day senior unsecured revolving credit facility that was set to expire on March 7, 2013. On July 18, 2012, we reduced the unused commitment under the facility to $1.4 billion of borrowing capacity. On September 24, 2012, after substantially completing the Kraft Foods Group Spin-Off financing plans, Kraft Foods Group paid the accrued facility fees and terminated the revolving credit agreement.

On May 18, 2012, in connection with the Spin-Off, Kraft Foods Group entered into a $3.0 billion five-year senior unsecured revolving credit facility that expires on May 17, 2017. Borrowings under the facility bear interest at a variable rate based on the London Inter-Bank Offered Rate (“LIBOR”) or a defined base rate, at the election of Kraft Foods Group plus an applicable margin based on certain debt credit ratings before or after the Spin-Off. Prior to the Spin-Off, we guaranteed any borrowings against this facility. As of September 30, 2012 and through the Spin-Off date, no amounts were drawn on this credit facility and as of the Spin-Off date, we no longer are a guarantor on the credit facility.

Long-Term Debt:
On January 10, 2012, we issued $800 million of floating rate notes which bear interest equal to the three-month LIBOR plus 0.875%. We received net proceeds of $798.8 million from the issuance. The notes were set to mature on July 10, 2013 or subject to a mandatory redemption tied to the public announcement of the Record Date for the Spin-Off. After announcing the Record Date, on September 24, 2012, the notes were redeemed at a redemption price equal to 100% of the aggregate principal amount of the notes, or $800 million, plus accrued and unpaid interest of $2 million.

On June 1, 2012, $900 million of our 6.25% notes matured and were repaid primarily from commercial paper borrowings which were subsequently repaid from proceeds received from the Kraft Foods Group $6.0 billion notes issued on June 4, 2012.

On June 4, 2012, Kraft Foods Group issued $6.0 billion of senior unsecured notes at a weighted-average effective rate of 3.938%. The net proceeds of $5.9 billion were used to pay $3.6 billion of outstanding commercial paper borrowings and we expect to use the remaining cash proceeds to pay down additional debt over time. Kraft Foods Group also recorded approximately $260 million of deferred financing costs which will be recognized in interest expense over the life of the notes. The general terms of the $6.0 billion notes are:

- $1 billion notes due June 4, 2015 at a fixed, annual interest rate of 1.625%. Interest is payable semiannually beginning December 4, 2012.
- $1 billion notes due June 5, 2017 at a fixed, annual interest rate of 2.250%. Interest is payable semiannually beginning December 5, 2012.
- $2 billion notes due June 6, 2022 at a fixed, annual interest rate of 3.500%. Interest is payable semiannually beginning December 6, 2012.
- $2 billion notes due June 4, 2042 at a fixed, annual interest rate of 5.000%. Interest is payable semiannually beginning December 4, 2012.

On July 18, 2012, we completed a debt exchange in which $3.6 billion of our debt was exchanged for debt of Kraft Foods Group in connection with our Spin-Off capitalization plan. No cash was generated from the exchange. The general terms of the $3.6 billion notes issued by Kraft Foods Group are:

- $1,035 million notes due August 23, 2018 at a fixed, annual interest rate of 6.125%. Interest is payable semiannually beginning August 23, 2012. (This debt was issued in exchange for $596 million of our 6.125% Notes due in February 2018 and $439 million of our 6.125% Notes due in August 2018).
- $900 million notes due February 10, 2020 at a fixed, annual interest rate of 5.375%. Interest is payable semiannually beginning August 10, 2012. (This debt was issued in exchange for an approximately equal principal amount of our 5.375% Notes due in February 2020).
- $878 million notes due January 26, 2039 at a fixed, annual interest rate of 6.875%. Interest is payable semiannually beginning July 26, 2012. (This debt was issued in exchange for approximately $233 million of our 6.875% Notes due in January 2039, approximately $290 million of our 6.875% Notes due in February 2038, approximately $185 million of our 7.000% Notes due in August 2037 and approximately $170 million of our 6.500% Notes due in November 2031).
- $787 million notes due February 9, 2040 at a fixed, annual interest rate of 6.500%. Interest is payable semiannually beginning August 9, 2012. (This debt was issued in exchange for an approximately equal principal amount of our 6.500% Notes due in 2040).

On August 30, 2012, we extended the term of a $150 million Canadian dollar loan (or $152 million in U.S. dollars as of September 30, 2012) to October 2, 2012 and paid off the loan on October 2, 2012.

On October 1, 2012, in connection with finalizing the Spin-Off and related debt capitalization plan for Kraft Foods Group, approximately $400 million of our 7.55% senior unsecured notes was retained by Kraft Foods Group. No cash was generated from the transaction which will also be reflected in our consolidated financial statements in the fourth quarter ended December 31, 2012.

Fair Value of Our Debt:
The fair value of our short-term borrowings at September 30, 2012 and December 31, 2011 reflects current market interest rates and approximates the amounts we have recorded on our condensed consolidated balance sheet. The fair value of our long-term debt was determined using quoted prices in active markets for the publicly traded debt obligations (Level 1 valuation data). At September 30, 2012, the aggregate fair value of our total debt was $34,789 million and its carrying value was $29,506 million. At December 31, 2011, the aggregate fair value of our total debt was $31,113 million and its carrying value was $26,931 million.

Note 9. Stock Plans

Restricted and Deferred Stock:
In January 2012, in connection with our long-term incentive plan, we granted 1.3 million shares of restricted and deferred stock at a market value of $37.63 per share. In February 2012, as part of our annual equity program, we issued 2.2 million shares of restricted and deferred stock to eligible employees at a market value of $38.00 per share. During the nine months ended September 30, 2012, we issued 0.8 million of additional restricted and deferred shares with a weighted-average market value of $31.66 per share primarily in connection with our 2009 long-term incentive plan performance based awards which were issued and vested during the first quarter of 2012. In aggregate, we issued 4.3 million restricted and deferred shares during the nine months ended September 30, 2012 with a weighted-average market value of $36.69 per share. During the nine months ended September 30, 2012, 4.9 million shares of restricted and deferred stock vested at a market value of $186 million.

Stock Options:
In February 2012, as part of our annual equity program, we granted 12.8 million stock options to eligible employees at an exercise price of $38.00 per share. During the nine months ended September 30, 2012, we issued 0.7 million of additional stock options with a weighted-average exercise price of $38.13 per share. In aggregate, we granted 13.5 million stock options during the nine months ended September 30, 2012 at a weighted-average exercise price of $38.00 per share at the time of grant. During the nine months ended September 30, 2012, there were 7.2 million stock options exercised with a total intrinsic value of $84 million.

In connection with the Spin-Off and separation of Kraft Foods Group, restricted and deferred stock awards (excluding long-term incentive plan awards) and employee stock option awards were modified and converted into new equity awards using a formula designed to preserve the fair value of the awards immediately prior to the Spin-Off. On October 1, 2012, holders of restricted and deferred stock awards received one share of Kraft Foods Group restricted or deferred shares for every three restricted or deferred shares they held prior to the Record Date. Holders of stock options awards received Mondelēz International stock options to purchase the same number of shares of Mondelēz International common stock at a reduced exercise price and one new Kraft Foods Group stock option for every three Mondelēz International stock options to preserve the fair value of the overall awards granted. Long-term incentive plan awards held by Kraft Foods Group employees were converted to Kraft Foods Group awards. Long-term incentive plan awards held by Mondelēz International employees will remain Mondelēz International awards. The underlying performance conditions for the Mondelēz International long-term incentive plan awards were modified and are consistent with our original performance targets adjusted to reflect our standalone business.

Note 10. Pension, Postretirement and Postemployment Benefit Plans

Pension Plans

Components of Net Periodic Pension Cost:
Net periodic pension cost for the three and nine months ended September 30, 2012 and 2011 consisted of:

	U.S. Plans For the Three Months Ended September 30,		Non-U.S. Plans For the Three Months Ended September 30,	
	2012	2011	2012	2011
	(in millions)			
Service cost	$ 42	$ 36	$ 41	$ 39
Interest cost	85	91	108	116
Expected return on plan assets	(113)	(123)	(126)	(135)
Amortization:				
Net loss from experience differences	83	57	31	26
Prior service cost	1	2	1	–
Settlement losses[1]	53	31	–	7
Net periodic pension cost	$ 151	$ 94	$ 55	$ 53

	U.S. Plans		Non-U.S. Plans	
	For the Nine Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
	(in millions)			
Service cost	$ 123	$ 109	$ 131	$ 129
Interest cost	261	273	327	347
Expected return on plan assets	(341)	(371)	(383)	(405)
Amortization:				
Net loss from experience differences	237	169	99	76
Prior service cost	5	5	2	1
Settlement losses(1)	113	67	–	7
Net periodic pension cost	$ 398	$ 252	$ 176	$ 155

(1) Includes approximately $19 million for the three months and $38 million for the nine months ended September 30, 2012 of settlement losses related to employees who elected to take lump-sum payments in connection with our 2012-2014 Restructuring Program. These costs are reflected within asset impairments and exit costs on the condensed consolidated statement of earnings and within the charges related to severance and related costs in Note 6, *2012-2014 Restructuring Program*.

Employer Contributions:
We make contributions to our U.S. and non-U.S. pension plans primarily to the extent that they are tax deductible and do not generate an excise tax liability. During the three months ended September 30, 2012, we contributed $325 million to our U.S. plans, including $315 million of voluntary contributions made ahead of the Spin-Off, and $65 million to our non-U.S. Plans. During the first nine months of 2012, we contributed $347 million to our U.S. plans and $247 million to our non-U.S. plans. Based on current tax law, we plan to make further contributions of approximately $8 million to our U.S. plans and approximately $178 million to our non-U.S. plans during the remainder of 2012. However, our actual contributions may differ due to many factors, including changes in tax and other benefit laws, or significant differences between expected and actual pension asset performance or interest rates.

Postretirement Benefit Plans

Net postretirement health care costs during the three and nine months ended September 30, 2012 and 2011 consisted of:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
	(in millions)		(in millions)	
Service cost	$ 11	$ 10	$ 30	$ 28
Interest cost	38	42	117	125
Amortization:				
Net loss from experience differences	22	15	62	46
Prior service credit	(10)	(8)	(28)	(24)
Other(1)	23	–	23	–
Net postretirement health care costs	$ 84	$ 59	$ 204	$ 175

(1) In August 2012, we recorded a $23 million unfunded U.S. postretirement plan obligation related to long-term disability benefits.

Postemployment Benefit Plans

Net postemployment costs during the three and nine months ended September 30, 2012 and 2011 consisted of:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
	(in millions)		(in millions)	
Service cost	$ 3	$ 2	$ 10	$ 7
Interest cost	2	2	6	7
Amortization of net gains	–	–	–	(1)
Other	(3)	–	(3)	–
Net postemployment costs	$ 2	$ 4	$ 13	$ 13

<u>Note 11. Financial Instruments</u>

See our consolidated financial statements and related notes in our Annual Report on Form 10-K for the year ended December 31, 2011 for additional information on our accounting and purpose for entering into derivatives and our overall risk management strategies.

Fair Value of Derivative Instruments:
Derivative instruments were recorded at fair value in the condensed consolidated balance sheets as of September 30, 2012 and December 31, 2011 as follows:

	September 30, 2012		December 31, 2011	
	Asset Derivatives	Liability Derivatives	Asset Derivatives	Liability Derivatives
	(in millions)			
Derivatives designated as hedging instruments:				
Foreign exchange contracts	$ 12	$ 22	$ 76	$ 5
Commodity contracts	34	31	14	27
Interest rate contracts	–	–	2	519
	$ 46	$ 53	$ 92	$ 551
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	$ 12	$ 24	$ 13	$ 5
Commodity contracts	191	124	392	372
Interest rate contracts	91	495	86	51
	$ 294	$ 643	$ 491	$ 428
Total fair value	$ 340	$ 696	$ 583	$ 979

The fair value of our asset derivatives is recorded within other current assets and the fair value of our liability derivatives is recorded within other current liabilities.

The fair value (asset / (liability)) of our derivative instruments at September 30, 2012 was determined using:

	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in millions)			
Foreign exchange contracts	$ (22)	$ –	$ (22)	$ –
Commodity contracts	70	67	3	–
Interest rate contracts	(404)	–	(404)	–
Total derivatives	$ (356)	$ 67	$ (423)	$ –

The fair value (asset / (liability)) of our derivative instruments at December 31, 2011 was determined using:

	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in millions)			
Foreign exchange contracts	$ 79	$ –	$ 79	$ –
Commodity contracts	7	(41)	48	–
Interest rate contracts	(482)	–	(482)	–
Total derivatives	$ (396)	$ (41)	$ (355)	$ –

Level 2 financial assets and liabilities consist of commodity forwards and options; foreign exchange forwards and options; currency swaps; and interest rate swaps. Commodity derivatives are valued using an income approach based on the observable market commodity index prices less the contract rate multiplied by the notional amount or based on pricing models that rely on market observable inputs such as commodity prices. Foreign currency contracts are valued using an income approach based on observable market forward rates less the contract rate multiplied by the notional amount. Our calculation of the fair value of interest rate swaps is derived from a discounted cash flow analysis based on the terms of the contract and the observable market interest rate curve. Our calculation of the fair value of financial instruments takes into consideration the risk of nonperformance, including counterparty credit risk.

Derivative Volume:

The net notional values of our derivative instruments as of September 30, 2012 and December 31, 2011 were:

	Notional Amount	
	September 30, 2012	December 31, 2011
	(in millions)	
Foreign exchange contracts:		
Intercompany loans and forecasted interest payments	$ 3,320	$ 1,982
Forecasted transactions	2,246	1,181
Commodity contracts	1,289	1,287
Interest rate contracts	2,355	4,872
Net investment hedge – euro notes	1,093	3,694
Net investment hedge – pound sterling notes	1,051	1,010

Cash Flow Hedges:

Cash flow hedge activity, net of taxes, within accumulated other comprehensive earnings / (losses) included:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
	(in millions)		(in millions)	
Accumulated gain / (loss) at beginning of period	$ (439)	$ (56)	$ (297)	$ 79
Transfer of realized losses / (gains) in fair value to earnings	277	(1)	352	(18)
Unrealized gain / (loss) in fair value	(5)	(365)	(222)	(483)
Accumulated gain / (loss) at September 30	$ (167)	$ (422)	$ (167)	$ (422)

After-tax gains / (losses) recognized in other comprehensive earnings / (losses) were:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
	(in millions)		(in millions)	
Foreign exchange contracts – intercompany loans	$ –	$ –	$ –	$ 1
Foreign exchange contracts – forecasted transactions	(12)	59	(12)	(14)
Commodity contracts	7	(33)	(28)	(37)
Interest rate contracts	–	(391)	(182)	(433)
Total	$ (5)	$ (365)	$ (222)	$ (483)

After-tax gains / (losses) reclassified from accumulated other comprehensive earnings / (losses) into net earnings were:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
	(in millions)		(in millions)	
Foreign exchange contracts – forecasted transactions	$ 15	$ (12)	$ 63	$ (45)
Commodity contracts	(14)	13	(39)	64
Interest rate contracts	(278)	–	(376)	(1)
Total	$ (277)	$ 1	$ (352)	$ 18

Pre-tax gains / (losses) on ineffectiveness recognized in net earnings were:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
	(in millions)		(in millions)	
Foreign exchange contracts	$ –	$ –	$ –	$ –
Commodity contracts	3	(2)	(3)	2
Interest rate contracts	–	4	(23)	(2)
Total	$ 3	$ 2	$ (26)	$ –

Pre-tax gains / (losses) on amounts excluded from effectiveness testing recognized in net earnings were:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
	(in millions)		(in millions)	
Foreign exchange contracts	$ –	$ –	$ –	$ –
Commodity contracts	(4)	4	(3)	4
Interest rate contracts	(436)	–	(566)	–
Total	$ (440)	$ 4	$ (569)	$ 4

During the three months ended September 30, 2012, we recognized a loss of $436 million in interest and other expense, net, related to recognizing certain forward-starting interest rate swaps in net earnings as we no longer plan to refinance the related debt in the future as a result of raising sufficient cash proceeds to repay the debt this year in connection with the Spin-Off and related financing plans. In October 2012, we paid approximately $425 million to terminate several interest rate swaps. In October 2012, we also entered into several interest rate swap agreements for a combined notional amount of $1.5 billion in debt we expect to secure in a future period and in order to hedge the related interest payments over a 10-30 year period. During the three months ended March 31, 2012, we recognized a $130 million loss in interest and other expense, net, related to certain forward-starting interest rate swaps for which the planned timing of the related forecasted debt was changed in March 2012 in connection with our Spin-Off plans and related debt capitalization plans.

We record pre-tax (i) gains or losses reclassified from accumulated other comprehensive earnings / (losses) into earnings, (ii) gains or losses on ineffectiveness, and (iii) gains or losses on amounts excluded from effectiveness testing in:

- cost of sales for commodity contracts;
- cost of sales for foreign exchange contracts related to forecasted transactions; and
- interest and other expense, net for interest rate contracts and foreign exchange contracts related to intercompany loans.

We expect to transfer unrealized losses of $7 million (net of taxes) for commodity cash flow hedges, unrealized losses of $7 million (net of taxes) for foreign currency cash flow hedges and unrealized losses of $9 million (net of taxes) for interest rate cash flow hedges to earnings during the next 12 months.

Hedge Coverage:
As of September 30, 2012, we hedged transactions forecasted to impact cash flows over the following periods:

- commodity transactions for periods not exceeding the next 14 months;
- interest rate transactions for periods not exceeding the next 29 years and 8 months; and
- foreign currency transactions for periods not exceeding the next 11 months.

Economic Hedges:
Pre-tax gains / (losses) recorded in net earnings for economic hedges which are not designated as hedging instruments were:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		Location of Gain / (Loss) Recognized in Earnings
	2012	2011	2012	2011	
	(in millions)		(in millions)		
Foreign exchange contracts:					
Intercompany loans and forecasted interest payments	$ 13	$ 20	$ 64	$ (18)	Interest expense
Forecasted transactions	(8)	15	10	9	Cost of sales
Forecasted transactions	–	(2)	(17)	3	Interest expense
Interest rate contracts	2	(3)	2	(4)	Interest expense
Commodity contracts	111	40	177	195	Cost of sales
Total	$ 118	$ 70	$ 236	$ 185	

Hedges of Net Investments in Foreign Operations:
After-tax gains / (losses) related to hedges of net investments in foreign operations in the form of euro and pound sterling-denominated debt were:

	For the Three Months Ended September 30, 2012	2011	For the Nine Months Ended September 30, 2012	2011	Location of Gain / (Loss) Recorded in AOCI
	(in millions)		(in millions)		
Euro notes	$ (10)	$ 202	$ (23)	$ (1)	Currency Translation Adjustment
Pound sterling notes	(19)	19	(26)	1	Currency Translation Adjustment

Note 12. Commitments and Contingencies

Legal Proceedings:
We routinely are involved in legal proceedings, claims and governmental inspections or investigations ("Legal Matters") arising in the ordinary course of our business.

On March 1, 2011, the Starbucks Coffee Company ("Starbucks") took control of the Starbucks packaged coffee business ("Starbucks CPG business") in grocery stores and other channels. Starbucks did so without our authorization and in what we contend is a violation and breach of our license and supply agreement with Starbucks related to the Starbucks CPG business. The dispute is in arbitration in Chicago, Illinois. We are seeking appropriate remedies, including payment of the fair market value of the supply and license agreement, plus the premium this agreement specifies, prejudgment interest under New York law and attorney's fees. Starbucks has counterclaimed for damages. Testimony and post-hearing briefing in the arbitration proceeding are completed, and we await the arbitrator's decision. Kraft Foods Group remains the named party in the proceeding. Under the Separation and Distribution Agreement between Kraft Foods Group and us, Kraft Foods Group will direct any recovery awarded in the arbitration proceeding to us. We will reimburse Kraft Foods Group for any costs and expenses it incurs in connection with the arbitration.

While we cannot predict with certainty the results of any Legal Matters in which we are currently involved, we do not expect that the ultimate costs to resolve any of these Legal Matters individually and in the aggregate will have a material adverse effect on our financial results.

Third-Party Guarantees:
We have third-party guarantees primarily covering the long-term obligations of our vendors. As part of those transactions, we guarantee that third parties will make contractual payments or achieve performance measures. At September 30, 2012, the carrying amount of our third-party guarantees on our condensed consolidated balance sheet and the maximum potential payment under these guarantees was $22 million. Substantially all of these guarantees expire at various times through 2018.

As of September 30, 2012, we and three of our indirect wholly owned subsidiaries are joint and several guarantors of $1.0 billion of indebtedness issued by an unrelated third party, Cadbury Schweppes US Finance LLC, and maturing on October 1, 2013. Following the Spin-Off, one of the guarantors of this indebtedness became an indirect wholly owned subsidiary of Kraft Foods Group. We have agreed to indemnify Kraft Foods Group pursuant to a separation and distribution agreement, in the event its subsidiary is called upon to satisfy its obligation under the guarantee.

Note 13. Income Taxes

As of January 1, 2012, our unrecognized tax benefits were $1,538 million. If we had recognized all of these benefits, the net impact on our income tax provision would be $1,317 million. Our unrecognized tax benefits decreased $187 million during the nine months ended September 30, 2012 for decreases based on prior year tax positions and settlements with taxing authorities, partially offset by additions based on current year tax positions. As of September 30, 2012, our unrecognized tax benefits were $1,351 million. If we had recognized all of these benefits, the net impact on our income tax provision would be $1,197 million.

The amount of unrecognized tax benefits as of September 30, 2012 could decrease by approximately $35—$60 million during the next 12 months due to audit settlements and the expiration of statutes of limitations in various jurisdictions.

Our income tax returns are regularly examined by federal and various state and foreign tax authorities. In July 2012, we reached a final resolution on a federal tax audit of the 2004-2006 tax years. The U.S. federal statute of limitations remains open for all tax periods beginning with the 2007 tax year and we are currently under examination for the 2007-2009 tax years. Our income tax filings are also currently under examination by taxing authorities in various U.S. state and foreign jurisdictions. U.S. state and foreign jurisdictions have statutes of limitations generally ranging from three to five years, however these statutes are often extended by mutual agreement with the tax authorities. Years still open to examination by foreign tax authorities in major jurisdictions include (earliest open tax year in parentheses): Germany (2005), Brazil (2006), Canada (2005), France (2009), United Kingdom (2006), Australia (2008), Russia (2010) and India (2003).

Note 14. Earnings Per Share

Basic and diluted earnings per share ("EPS") were calculated using the following:

	For the Three Months Ended September 30, 2012	2011	For the Nine Months Ended September 30, 2012	2011
	(in millions, except per share data)			
Net earnings	$ 659	$ 927	$ 2,512	$ 2,705
Noncontrolling interest	7	5	18	8
Net earnings attributable to Mondelēz International	$ 652	$ 922	$ 2,494	$ 2,697
Weighted-average shares for basic EPS	1,779	1,770	1,776	1,763
Plus incremental shares from assumed conversions of stock options and long-term incentive plan shares	10	7	10	7
Weighted-average shares for diluted EPS	1,789	1,777	1,786	1,770
Basic earnings per share attributable to Mondelēz International	$ 0.37	$ 0.52	$ 1.40	$ 1.53
Diluted earnings per share attributable to Mondelēz International	$ 0.36	$ 0.52	$ 1.40	$ 1.52

We exclude antidilutive Mondelēz International stock options from our calculation of weighted-average shares for diluted EPS. We excluded 8.8 million antidilutive stock options for the three months and 10.6 million antidilutive stock options for the nine months ended September 30, 2012, and we excluded 10.2 million antidilutive stock options for the three months and 13.5 million antidilutive stock options for the nine months ended September 30, 2011.

Note 15. Segment Reporting

We manage and report operating results through three geographic units: North America, Europe and Developing Markets. We manage the operations of North America and Europe by product category and we manage the operations of Developing Markets by location. Our reportable segments reflect our organization as of September 30, 2012 and consist of U.S. Beverages, U.S. Cheese, U.S. Convenient Meals, U.S. Grocery, U.S. Snacks, Canada & N.A. Foodservice, Europe and Developing Markets. In conjunction with the Spin-Off and divestiture of Kraft Foods Group, beginning on October 1, 2012, the following segments will no longer be included within our results of continuing operations: U.S. Beverage, U.S. Cheese, U.S. Convenient Meals, U.S. Grocery and the Kraft Foods Group portions of the following segments: Canada & N.A. Foodservice, U.S. Snacks (*Planters* and *Corn Nuts* brands and businesses) and Developing Markets (Puerto Rico grocery operations and North American grocery export sales).

We use segment operating income to evaluate segment performance and allocate resources. We believe 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 our U.S. pension plan cost (which is a component of cost of sales and 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. We exclude certain components of our U.S. pension plan cost from segment operating income because we centrally manage pension plan funding decisions and the determination of discount rate, expected rate of return on plan assets and other actuarial assumptions. Therefore, we allocate only the service cost component of our U.S. pension plan expense to segment operating income. We exclude the unrealized gains and losses on hedging activities from segment operating income in order to provide better transparency of our segment operating results. Once realized, the gains and losses on hedging activities are recorded within segment operating results. Furthermore, we centrally manage interest and other expense, net. Accordingly, we do not present these items by segment because they are excluded from the segment profitability measure that management reviews.

Our segment net revenues and earnings consisted of:

	For the Three Months Ended September 30, 2012	For the Three Months Ended September 30, 2011	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011
	(in millions)			
Net revenues:				
North America:				
U.S. Beverages	$ 682	$ 681	$ 2,168	$ 2,281
U.S. Cheese	917	902	2,749	2,651
U.S. Convenient Meals	891	863	2,601	2,536
U.S. Grocery	898	836	2,739	2,603
U.S. Snacks	1,621	1,579	4,716	4,581
Canada & N.A. Foodservice	1,286	1,272	3,725	3,735
Europe	2,849	3,099	9,004	9,640
Developing Markets	3,765	3,994	11,586	11,650
Net revenues	$ 12,909	$ 13,226	$ 39,288	$ 39,677

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
	(in millions)			
Earnings before income taxes:				
Operating income:				
North America:				
U.S. Beverages	$ 76	$ 101	$ 308	$ 400
U.S. Cheese	159	145	482	422
U.S. Convenient Meals	116	105	338	309
U.S. Grocery	284	292	974	963
U.S. Snacks	241	221	643	606
Canada & N.A. Foodservice	191	171	491	510
Europe	415	334	1,195	1,057
Developing Markets	539	582	1,608	1,505
Unrealized gains / (losses) on hedging activities	54	(4)	101	(42)
Certain U.S. pension plan costs	(90)	(57)	(237)	(143)
General corporate expenses	(279)	(134)	(518)	(265)
Amortization of intangibles	(54)	(58)	(163)	(172)
Operating income	1,652	1,698	5,222	5,150
Interest and other expense, net	864	425	1,846	1,312
Earnings before income taxes	$ 788	$ 1,273	$ 3,376	$ 3,838

On March 1, 2011, Starbucks took control of the Starbucks CPG business in grocery stores and other channels. Starbucks did so without our authorization and in what we contend is a violation and breach of our license and supply agreement with Starbucks related to the Starbucks CPG business. The results of the Starbucks CPG Business were included primarily in our U.S. Beverage and Canada & N.A. Foodservice segments through March 1, 2011. The dispute is in arbitration in Chicago, Illinois. We are seeking appropriate remedies, including payment of the fair market value of the supply and license agreement, plus the premium this agreement specifies, prejudgment interest under New York law and attorney's fees. Starbucks has counterclaimed for damages. Testimony and post-hearing briefing in the arbitration proceeding are completed, and we await the arbitrator's decision. Kraft Foods Group remains the named party in the proceeding. Under the Separation and Distribution Agreement between Kraft Foods Group and us, Kraft Foods Group will direct any recovery awarded in the arbitration proceeding to us. We will reimburse Kraft Foods Group for any costs and expenses it incurs in connection with the arbitration.

In March 2012, we divested a property of a Developing Markets subsidiary located in Russia for approximately $72 million in net proceeds and recorded a $55 million pre-tax gain within selling, general and administrative expenses.

Net changes in unrealized gains / (losses) on hedging activities were favorable, primarily related to gains on foreign currency contracts and commodity hedging activity of $54 million for the three months ended September 30, 2012, and were unfavorable due to losses of $4 million for the three months ended September 30, 2011. Net changes in unrealized gains / (losses) on hedging activities were favorable, primarily related to gains on foreign currency contracts and commodity hedging activity of $101 million for the nine months ended September 30, 2012, and were unfavorable due to losses of $42 million for the nine months ended September 30, 2011.

In connection with our 2012-2014 Restructuring Program, we recorded restructuring charges of $57 million for the three months and $218 million for the nine months ended September 30, 2012. We also recorded implementation costs of $12 million for the three months and $20 million for the nine months ended September 30, 2012. We recorded the restructuring charges in operations, as a part of asset impairment and exit costs, and recorded the implementation costs in operations, as a part of cost of sales and selling, general and administrative expenses. These charges are recorded primarily within our North America geographic unit.

In September 2012, we recorded a $38 million benefit within our Europe segment related to the reversal of reserves carried over from the Cadbury acquisition in 2010 and not required.

We recorded Integration Program charges of $29 million during the three months and $107 million during the nine months ended September 30, 2012. During the three months ended September 30, 2012, we also reversed $43 million of Integration Program charges previously accrued in the fourth quarter of 2010 primarily related to planned and announced position eliminations that did not occur within our Europe segment. The reversal was based on final negotiations with local workers councils, the majority of which were concluded in April 2012. In 2011, we recorded Integration Program charges of $112 million for the three months and $352 million for the nine months ended September 30, 2011. We recorded these charges in operations, as a part of selling, general and administrative expenses primarily within our Europe and Developing Markets segments, as well as within general corporate expenses.

The increase in general corporate expenses for the three months ended September 30, 2012 was due primarily to $201 million of Spin-Off Costs within general corporate expenses, partially offset by lower Integration Program costs. The increase in general corporate expenses for the nine months ended September 30, 2012 was due primarily to $340 million of Spin-Off Costs within general corporate expenses, partially offset by lower Integration Program costs.

The increase in interest and other expense, net for the three months ended September 30, 2012 was due primarily to $457 million of Spin-Off Costs within interest expense. The increase in interest and other expense, net for the nine months ended September 30, 2012 was due primarily to $619 million of Spin-Off Costs within interest expense.

Net revenues by consumer sector, which includes *Kraft* macaroni and cheese dinners in the Convenient Meals sector and the separation of Canada & N.A. Foodservice, Europe and Developing Markets into sector components, were:

	For the Three Months Ended September 30, 2012			
	North America	Europe	Developing Markets	Total
	(in millions)			
Biscuits	$ 1,563	$ 575	$ 876	$ 3,014
Confectionery	479	1,246	1,792	3,517
Beverages	815	645	646	2,106
Cheese	1,356	250	241	1,847
Grocery	745	72	178	995
Convenient Meals	1,337	61	32	1,430
Total net revenues	$ 6,295	$ 2,849	$ 3,765	$ 12,909

	For the Three Months Ended September 30, 2011(1)			
	North America	Europe	Developing Markets	Total
	(in millions)			
Biscuits	$ 1,502	$ 638	$ 888	$ 3,028
Confectionery	500	1,286	1,948	3,734
Beverages	799	727	709	2,235
Cheese	1,319	288	249	1,856
Grocery	749	84	169	1,002
Convenient Meals	1,264	76	31	1,371
Total net revenues	$ 6,133	$ 3,099	$ 3,994	$ 13,226

	For the Nine Months Ended September 30, 2012			
	North America	Europe	Developing Markets	Total
	(in millions)			
Biscuits	$ 4,567	$ 1,808	$ 2,601	$ 8,976
Confectionery	1,328	3,854	5,483	10,665
Beverages	2,584	2,125	2,142	6,851
Cheese	4,005	790	743	5,538
Grocery	2,387	232	523	3,142
Convenient Meals	3,827	195	94	4,116
Total net revenues	$ 18,698	$ 9,004	$ 11,586	$ 39,288

	For the Nine Months Ended September 30, 2011(1)			
	North America	Europe	Developing Markets	Total
	(in millions)			
Biscuits	$ 4,358	$ 1,950	$ 2,492	$ 8,800
Confectionery	1,380	4,042	5,703	11,125
Beverages	2,696	2,260	2,158	7,114
Cheese	3,882	890	724	5,496
Grocery	2,403	271	477	3,151
Convenient Meals	3,668	227	96	3,991
Total net revenues	$ 18,387	$ 9,640	$ 11,650	$ 39,677

(1) We reclassified certain sector net revenues for the three and nine months ended September 30, 2011 to conform to the current year presentation.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

<u>Completed Spin-Off Transaction</u>

On October 1, 2012 (the "Distribution Date"), we completed the spin-off of our North American grocery business, Kraft Foods Group, Inc. ("Kraft Foods Group" or the "North American Grocery Business"), to our shareholders (the "Spin-Off"). We continue to hold our global snacks business (the "Global Snacks Business.") On October 1, 2012, each of our shareholders of record as of the close of business on September 19, 2012 ("the Record Date") received one share of Kraft Foods Group common stock for every three shares of our Common Stock held as of the Record Date. The distribution was structured to be tax free to our U.S. shareholders for U.S. federal income tax purposes.

Kraft Foods Group is now an independent public company trading on The NASDAQ Global Select Market under the symbol "KRFT." After the Spin-Off, we do not beneficially own any shares of Kraft Foods Group common stock.

On October 1, 2012, in connection with the completion of the Spin-Off, we also changed our name from Kraft Foods Inc. to Mondelēz International, Inc. On October 2, 2012, our shares began to trade on The NASDAQ Global Select Market, under the symbol "MDLZ." Mondelēz International is now a standalone global snacks company and a world leader in chocolate, biscuits, gum, candy, coffee and powdered beverages.

<u>Basis of Presentation</u>

Our condensed consolidated financial results as of September 30, 2012 and for all prior periods presented include the results of Kraft Foods Group. The October 1, 2012 Spin-Off and divestiture of Kraft Foods Group have not yet been reflected in our historical results and will be presented as a discontinued operation beginning in our fourth quarter which ends on December 31, 2012.

<u>Summary of Results and Other Highlights</u>

- Net revenues decreased 2.4% to $12.9 billion in the third quarter of 2012 and decreased 1.0% to $39.3 billion in the first nine months of 2012 as compared to the same period in the prior year. Our reported net revenues were significantly impacted by unfavorable foreign currency and the lapping of prior-year accounting calendar changes.

- Organic Net Revenues, a non-GAAP financial measure we use to evaluate our underlying results (see our reconciliation with net revenues and a discussion of our non-GAAP financial measures later in this section), increased 2.1% to $13.5 billion in the third quarter of 2012 and increased 3.9% to $40.8 billion in the first nine months of 2012 as compared to the same period in prior year. Organic Net Revenues is on a constant currency basis and excludes the impact of accounting calendar changes and the Starbucks CPG business in the prior year.

- Diluted EPS attributable to Mondelēz International decreased 30.8% to $0.36 in the third quarter of 2012 as compared to $0.52 from the same period in the prior year. Diluted EPS attributable to Mondelēz International decreased 7.9% to $1.40 in the first nine months of 2012 as compared to $1.52 from the same period in the prior year. Included within our reported results were one-time Spin-Off Costs, 2012-2014 Restructuring Program costs and Cadbury Integration Program costs.

- Operating EPS, a non-GAAP financial measure we use to evaluate our underlying results (see our reconciliation with diluted EPS attributable to Mondelēz International and a discussion of our non-GAAP financial measures later in this section), increased 10.3% to $0.64 in the third quarter of 2012 as compared to the same period in the prior year. Operating EPS increased 9.3% to $1.88 in the first nine months of 2012 from the same period in the prior year. Operating EPS provides transparency of our underlying results and excludes Spin-Off Costs, 2012-2014 Restructuring Program costs and Cadbury Integration Program costs.

- On January 10, 2012, we issued $800 million of floating rate notes maturing in 2013 that bear interest at a rate equal to the three-month London Inter-Bank Offered Rate ("LIBOR") plus 0.875%. We received net proceeds of $798.8 million from the issuance. The notes were set to mature on July 10, 2013 or subject to a mandatory redemption tied to the public announcement of the Record Date for the Spin-Off. After announcing the Record Date, on September 24, 2012, the notes were redeemed at a redemption price equal to 100% of the aggregate principal amount of the notes, or $800 million, plus accrued and unpaid interest of $2 million.

- On March 8, 2012, in connection with the Spin-Off, Kraft Foods Group entered into a $4.0 billion 364-day senior unsecured revolving credit facility that was set to expire on March 7, 2013. On July 18, 2012, we reduced the unused commitment under the facility to $1.4 billion of borrowing capacity. On September 24, 2012, after substantially completing the Kraft Foods Group Spin-Off financing plans, Kraft Foods Group paid the accrued facility fees and terminated the revolving credit agreement.

- On May 18, 2012, in connection with the Spin-Off, Kraft Foods Group entered into a $3.0 billion five-year senior unsecured revolving credit facility. Prior to the Spin-Off, we guaranteed any borrowings against this facility. As of September 30, 2012 and through the Spin-Off date, no amounts were drawn on this credit facility and as of the Spin-Off date, we no longer are a guarantor on the credit facility.

- On June 1, 2012, $900 million of our 6.25% notes matured and were repaid using primarily commercial paper borrowings which were subsequently repaid from proceeds received from the Kraft Foods Group $6.0 billion notes issued on June 4, 2012.

- On June 4, 2012, Kraft Foods Group issued $6.0 billion of senior unsecured notes with a weighted-average effective interest rate of 3.938%. We received net proceeds of $5.9 billion which we used to pay $3.6 billion of outstanding commercial paper borrowings and expect to use the remaining cash proceeds to pay down additional debt over time.

- On July 18, 2012, we completed a debt exchange in which $3.6 billion of our debt was exchanged for debt of Kraft Foods Group as part of our Spin-Off related capitalization plan. No cash was generated from the exchange. On October 1, we also transferred approximately $400 million of our 7.55% senior unsecured notes to Kraft Foods Group to complete the key elements of our debt migration plan in connection with the Spin-Off.

- On September 1, 2012 and September 29, 2012, we revalued certain benefit plan obligations in connection with the Spin-Off and divestiture of Kraft Foods Group. Primarily due to lower discount rates in the current year, we recognized an increase in the U.S. and Canadian benefit plan liabilities of $1.5 billion, long-term deferred tax assets of $576 million and accumulated other comprehensive losses (net of tax) of $927 million. The revaluation of these benefit plans did not have a significant impact on our net earnings for the quarter ended September 30, 2012, but will increase benefit plan expenses in future quarters.

- On October 1, 2012, we completed the Spin-Off of Kraft Foods Group in a distribution to shareholders of one share of Kraft Foods Group common stock for every three shares of our Common Stock held as of the Record Date. The distribution was structured to be tax free to our U.S. shareholders for U.S. federal income tax purposes.

Items Affecting Comparability of Financial Results

Spin-Off Costs
Our historical results include one-time Spin-Off transaction, transition and financing and related costs (“Spin-Off Costs”) we have incurred to date. We recorded Spin-Off Costs of $683 million, or $0.25 per diluted share, in the three months and $984 million, or $0.36 per diluted share, in the nine months ended September 30, 2012. We also recorded $46 million of Spin-Off Costs in the fourth quarter of 2011. We expect to reflect all one-time Spin-Off Costs within our reported results.

2012-2014 Restructuring Program
On March 14, 2012, our Board of Directors approved $1.1 billion of restructuring and related implementation costs (“2012-2014 Restructuring Program”) reflecting primarily severance, asset disposals and other manufacturing-related one-time costs. The primary objective of the restructuring and implementation activities is to ensure that both Kraft Foods Group and Mondelēz International were each set up to operate efficiently and execute their business strategies upon separation of the companies and in the future. On October 23, 2012, our Board of Directors approved $400 million of additional restructuring and related implementation programs within Mondelēz International’s U.S. and European operations, totaling $1.5 billion of total expected 2012-2014 Restructuring Program costs.

Of the $1.5 billion of 2012-2014 Restructuring Program costs, Kraft Foods Group has or expects to incur approximately $575 million of restructuring and implementation costs. As such, these costs will not be included within our results of continuing operations in future periods. We will retain approximately $925 million of the 2012-2014 Restructuring Program.

We recorded restructuring charges of $57 million, or $0.03 per diluted share, for the three months ended and $218 million, or $0.08 per diluted share, for the nine months ended September 30, 2012 within asset impairment and exit costs. We spent $19 million in the three months and $61 million in the nine months ended September 30, 2012 in cash and we also recognized non-cash severance and related costs and asset write-downs (including accelerated depreciation and asset impairments) totaling $38 million in the three months and $112 million in the nine months ended September 30, 2012. We also incurred implementation costs of $12 million for the three months and $20 million for the nine months ended September 30, 2012. The implementation costs were recorded within cost of sales and selling, general and administrative expenses. See Note 6, *2012-2014 Restructuring Program*, for additional information.

Integration Program
As a result of our combination with Cadbury Limited (formerly, Cadbury plc or “Cadbury”) in 2010, we launched an integration program to realize expected annual cost savings of approximately $800 million by the end of 2013 and revenue synergies from investments in distribution, marketing and product development. In order to achieve these cost savings and synergies and combine and integrate the two businesses, we expect to incur total integration charges of approximately $1.5 billion through the end of 2013 (the “Integration Program”).

Integration Program costs include the costs associated with combining the Cadbury operations within our Global Snacks Business and are separate from the costs related to the acquisition. Since the inception of the Integration Program, we have incurred approximately $1.3 billion of the estimated $1.5 billion total integration charges.

We recorded Integration Program charges of $29 million during the three months and $107 million during the nine months ended September 30, 2012. During the three months ended September 30, 2012, we also reversed $43 million of Integration Program charges previously accrued in the fourth quarter of 2010 primarily related to planned and announced position eliminations that did not occur within our Europe segment. The reversal was based on final negotiations with local workers councils, the majority of which were concluded in April 2012. In 2011, we recorded Integration Program charges of $112 million for the three months and $352 million for the nine months ended September 30, 2011. We recorded these charges in operations, as a part of selling, general and administrative expenses primarily within our Europe and Developing Markets segments, as well as within general corporate expenses.

Accounting Calendar Changes in 2011
Accounting calendar changes we made in 2011 to more closely align the accounting dates for our international operating results had a favorable impact of approximately $360 million on net revenues and approximately $50 million on operating income in the prior-year second quarter and nine months ended September 30, 2011. In the second quarter of 2011, we changed the consolidation date for certain operations of our Europe segment and in the Latin America, Central and Eastern Europe ("CEE") and Middle East and Africa ("MEA") regions within our Developing Markets segment. Previously, these operations primarily reported results two weeks prior to the end of the period. Subsequent to the 2011 changes, our Europe segment reports results as of the last Saturday of each period. Certain operations within our Developing Markets segment now report results as of the last calendar day of the period or the last Saturday of the period.

Starbucks CPG Business
On March 1, 2011, the Starbucks Coffee Company ("Starbucks") took control of the Starbucks packaged coffee business ("Starbucks CPG business") in grocery stores and other channels. Starbucks did so without our authorization and in what we contend is a violation and breach of our license and supply agreement with Starbucks related to the Starbucks CPG business. The results of the Starbucks CPG Business were included primarily in our U.S. Beverage and Canada & N.A. Foodservice segments through March 1, 2011. The dispute is in arbitration in Chicago, Illinois. We are seeking appropriate remedies, including payment of the fair market value of the supply and license agreement, plus the premium this agreement specifies, prejudgment interest under New York law and attorney's fees. Starbucks has counterclaimed for damages. Testimony and post-hearing briefing in the arbitration proceeding are completed, and we await the arbitrator's decision. Kraft Foods Group remains the named party in the proceeding. Under the Separation and Distribution Agreement between Kraft Foods Group and us, Kraft Foods Group will direct any recovery awarded in the arbitration proceeding to us. We will reimburse Kraft Foods Group for any costs and expenses it incurs in connection with the arbitration.

Provision for Income Taxes
Our effective tax rate was 16.4% in the third quarter of 2012 and 25.6% for the first nine months of 2012. The 2012 effective tax rates are lower than in 2011 primarily due to a greater percentage of earnings in jurisdictions with lower tax rates. The effective tax rates for the third quarter and first nine months of 2012 were also favorably impacted by net discrete items total $116 million and $142 million, respectively. These favorable discrete items primarily resulted from the revaluation of U.K. deferred tax assets and liabilities resulting from tax legislation enacted during the quarter and net favorable tax audit settlements.

Our effective tax rate was 27.2% in the third quarter of 2011 and 29.5% in the first nine months of 2011. The 2011 third quarter effective tax rate was favorably impacted by net discrete items totaling $111 million, primarily from the revaluation of U.K. deferred tax assets and liabilities resulting from tax legislation enacted during the quarter that reduced U.K. corporate income tax rates, and the reversal of valuation allowances on certain foreign deferred tax assets that are now expected to be realized. For the first nine months of 2011, our effective tax rate was favorably impacted by net discrete items totaling $168 million, primarily from the revaluation of U.K. deferred tax assets and liabilities in the third quarter, the reversal of valuation allowances on certain foreign deferred tax assets in the third quarter and the net favorable impact from various U.S. federal, U.S. state and foreign tax audit developments year to date.

Consolidated Results of Operations

The following discussion compares our consolidated results of operations for the three and nine months ended September 30, 2012 and 2011.

Three Months Ended September 30:

	For the Three Months Ended September 30, 2012	2011	$ change	% change
	(in millions, except per share data)			
Net revenues	$ 12,909	$ 13,226	$ (317)	(2.4%)
Operating income	$ 1,652	$ 1,698	$ (46)	(2.7%)
Net earnings attributable to Mondelēz International	$ 652	$ 922	$ (270)	(29.3%)
Diluted earnings per share attributable to Mondelēz International	$ 0.36	$ 0.52	$ (0.16)	(30.8%)

Net Revenues – Net revenues decreased $317 million (2.4%) to $12,909 million in the third quarter of 2012, and Organic Net Revenues[(1)] increased $272 million (2.1%) to $13,498 million as follows:

Change in net revenues (by percentage point)	
Higher net pricing	1.5pp
Favorable volume/mix	0.6pp
Total change in Organic Net Revenues[(1)]	**2.1%**
Unfavorable foreign currency	(4.5)pp
Total change in net revenues	**(2.4)%**

(1) Please see the *Non-GAAP Financial Measures* section at the end of this item.

Organic Net Revenues growth was driven by higher net pricing and favorable volume/mix. Higher net pricing, primarily due to pricing actions taken in prior quarters, was realized in Developing Markets, U.S. Snacks, U.S. Grocery and U.S. Convenient Meals as we increased pricing to offset higher input costs. Favorable volume/mix was realized in North America (including a favorable impact from customer inventory shifts related to the Spin-Off), due primarily to higher shipments in U.S. Cheese and U.S. Grocery as well as favorable product mix in Canada & N.A. Foodservice and U.S. Beverages, and in Europe. This was partially offset by lower shipments in certain regions within Developing Markets as well as due to higher shipments in the prior-year third quarter ahead of announced price increases that went into effect in the fourth quarter of 2011. Unfavorable foreign currency decreased net revenues by $589 million, due primarily to the strength of the U.S. dollar relative to most foreign currencies, primarily the euro, Brazilian real, Indian rupee, Russian ruble and Argentinean peso.

Operating Income – Operating income decreased $46 million (2.7%) to $1,652 million in the third quarter of 2012, and Adjusted Operating Income[1] increased $123 million (6.8%) to $1,933 million due to the following:

	Operating Income (in millions)	Change (percentage point)
Operating Income for the Three Months Ended September 30, 2011	**$ 1,698**	
Integration Program costs	112	7.1pp
Adjusted Operating Income[1] for the Three Months Ended September 30, 2011	**$ 1,810**	
Higher net pricing	203	11.3pp
Higher input costs	(11)	(0.7)pp
Favorable volume/mix	22	1.2pp
Higher selling, general and administrative expenses	(82)	(4.6)pp
Unfavorable foreign currency	(63)	(3.5)pp
Change in unrealized gains / (losses) on hedging activities	58	3.3pp
Other, net	(4)	(0.2)pp
Total change in Adjusted Operating Income[1]	**$ 123**	**6.8%**
Adjusted Operating Income[1] for the Three Months Ended September 30, 2012	**$ 1,933**	
Spin-Off Costs	(226)	(13.3)pp
2012-2014 Restructuring Program costs	(69)	(4.1)pp
Integration Program costs	14	0.8pp
Operating Income for the Three Months Ended September 30, 2012	**$ 1,652**	**(2.7%)**

(1) Please see the *Non-GAAP Financial Measures* section at the end of this item.

Higher net pricing, which reflected primarily pricing actions taken in prior quarters, outpaced increased input costs during the quarter. The increase in input costs was driven by higher raw material costs, mostly offset by lower manufacturing costs. Favorable volume/mix was driven by gains in all reportable segments in North America, except U.S. Beverages, and was partially offset by unfavorable impacts in Developing Markets and Europe. Total selling, general and administrative expenses increased $89 million from the third quarter of 2011, including the impacts of Spin-Off Costs and 2012-2014 Restructuring Program costs incurred in the third quarter of 2012, which were essentially offset by benefits from a favorable impact of foreign currency on expenses and lower Integration Program costs (including the reversal of previously accrued Integration Program charges primarily related to planned and announced position eliminations that did not occur). Excluding these factors, selling, general and administrative expenses increased $82 million from the third quarter of 2011, driven primarily by higher advertising and consumer promotion costs in North America, partially offset by the reversal of reserves not required carried over from the Cadbury acquisition in 2010. Unfavorable foreign currency decreased operating income by $63 million, due primarily to the strength of the U.S. dollar relative to most foreign currencies, primarily the euro, Brazilian real, Indian rupee, Argentinean peso and Russian ruble. The change in unrealized gains / (losses) on hedging activities increased operating income by $58 million, as we recognized gains of $54 million in the third quarter of 2012, versus losses of $4 million in the third quarter of 2011.

As a result of the net effect of these drivers, operating income margin was flat, at 12.8% in both the third quarter of 2012 and the third quarter of 2011. The margin was unchanged as higher gross margin, reflecting the impact of pricing actions taken in prior quarters net of increased input costs and the favorable change in unrealized gains on hedging activities, as well as lower Integration Program costs and overhead leverage were offset by the impact of 2012-2014 Restructuring Program costs and Spin-Off Costs incurred in the third quarter of 2012.

Net Earnings and Diluted Earnings per Share Attributable to Mondelēz International – Net earnings attributable to Mondelēz International of $652 million decreased by $270 million (29.3%) in the third quarter of 2012. Diluted EPS attributable to Mondelēz International was $0.36 in the third quarter of 2012, down $0.16 (30.8%) from $0.52 in the third quarter of 2011. Operating EPS(1) was $0.64 in the third quarter of 2012, up $0.06 (10.3%) from $0.58 in the third quarter of 2011. These changes, shown net of tax below, were due to the following:

	Diluted EPS
Diluted EPS Attributable to Mondelēz International for the Three Months Ended September 30, 2011	**$ 0.52**
Integration Program costs	0.06
Operating EPS(1) for the Three Months Ended September 30, 2011	**$ 0.58**
Increases in operations	0.05
Change in unrealized gains / (losses) on hedging activities	0.02
Lower interest and other expense, net(2)	0.01
Unfavorable foreign currency(3)	(0.03)
Changes in income taxes	0.01
Operating EPS(1) for the Three Months Ended September 30, 2012	**$ 0.64**
Spin-Off Costs(2)	(0.25)
2012-2014 Restructuring Program costs	(0.03)
Integration Program costs	–
Diluted EPS Attributable to Mondelēz International for the Three Months Ended September 30, 2012	**$ 0.36**

(1) Please see the *Non-GAAP Financial Measures* section at the end of this item.
(2) Spin-Off Costs include $226 million of pre-tax Spin-Off Costs in selling, general and administrative expense and $457 million of pre-tax Spin-Off Costs in interest expense.
(3) Includes the favorable foreign currency impact on interest expense related to our foreign denominated debt.

Nine Months Ended September 30:

	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011	$ change	% change
	(in millions, except per share data)			
Net revenues	$ 39,288	$ 39,677	$ (389)	(1.0%)
Operating income	$ 5,222	$ 5,150	$ 72	1.4%
Net earnings attributable to Mondelēz International	$ 2,494	$ 2,697	$ (203)	(7.5%)
Diluted earnings per share attributable to Mondelēz International	$ 1.40	$ 1.52	$ (0.12)	(7.9%)

Net Revenues – Net revenues decreased $389 million (1.0%) to $39,288 million in the first nine months of 2012, and Organic Net Revenues[(1)] increased $1,536 million (3.9%) to $40,761 million as follows:

Change in net revenues (by percentage point)	
Higher net pricing	3.7pp
Favorable volume/mix	0.2pp
Total change in Organic Net Revenues[(1)]	**3.9%**
Unfavorable foreign currency	(3.8)pp
Impact of accounting calendar changes	(0.9)pp
Impact of Starbucks CPG cessation	(0.2)pp
Total change in net revenues	**(1.0)%**

(1) Please see the *Non-GAAP Financial Measures* section at the end of this item.

Organic Net Revenues growth was driven by higher net pricing and favorable volume/mix. Higher net pricing, including the impact of pricing from prior periods, was reflected across all reportable business segments as we increased pricing to offset higher input costs. Favorable volume/mix was driven by higher shipments in Developing Markets and Europe, mostly offset by lower shipments across the North American reportable segments except U.S. Grocery. Unfavorable foreign currency decreased net revenues by $1,473 million, due primarily to the strength of the U.S. dollar relative to most foreign currencies, primarily the euro, Brazilian real, Indian rupee, Russian ruble, Argentinean peso, Canadian dollar and Mexican peso. In addition, non-recurring accounting calendar changes made in the second quarter of 2011 resulted in a year-over-year decrease in net revenues of $361 million. The Starbucks CPG business cessation in 2011 also decreased current-year net revenues by $91 million.

Operating Income – Operating income increased $72 million (1.4%) to $5,222 million in the first nine months of 2012, and Adjusted Operating Income[1] increased $387 million (7.0%) to $5,889 million due to the following:

	Operating Income (in millions)	Change (percentage point)
Operating Income for the Nine Months Ended September 30, 2011	**$ 5,150**	
Integration Program costs	352	7.2pp
Adjusted Operating Income[1] for the Nine Months Ended September 30, 2011	**$ 5,502**	
Higher net pricing	1,433	26.4pp
Higher input costs	(822)	(15.1)pp
Favorable volume/mix	13	0.3pp
Higher selling, general and administrative expenses	(195)	(3.6)pp
Unfavorable foreign currency	(147)	(2.7)pp
Change in unrealized gains / (losses) on hedging activities	143	2.6pp
Gain on sale of property	55	1.0pp
Impact of accounting calendar changes	(51)	(1.0)pp
Asset impairment charge	(20)	(0.4)pp
Decreased operating income from the Starbucks CPG business cessation	(15)	(0.3)pp
Other, net	(7)	(0.2)pp
Total change in Adjusted Operating Income[1]	**$ 387**	**7.0%**
Adjusted Operating Income[1] for the Nine Months Ended September 30, 2012	**$ 5,889**	
Spin-Off Costs	(365)	(7.1)pp
2012-2014 Restructuring Program costs	(238)	(4.6)pp
Integration Program costs	(64)	(1.1)pp
Operating Income for the Nine Months Ended September 30, 2012	**$ 5,222**	**1.4%**

(1) Please see the *Non-GAAP Financial Measures* section at the end of this item.

Higher net pricing, including the impact of pricing actions taken in previous periods, outpaced increased input costs during the first nine months of 2012. The increase in input costs was driven by higher raw material costs, partially offset by lower manufacturing costs. Favorable volume/mix was driven by strong contributions from Developing Markets and Europe, mostly offset by unfavorable impacts in North American reportable segments, except Canada & N.A. Foodservice and U.S. Convenient Meals. Total selling, general and administrative expenses decreased $176 million from the first nine months of 2011, including the benefits from lower Integration Program costs (including the reversal of previously accrued Integration Program charges primarily related to planned and announced position eliminations that did not occur), a favorable impact of foreign currency on expenses, higher expenses in the prior year related to accounting calendar changes, a gain on the sale of a property in Russia and the Starbucks CPG business cessation, which were partially offset by the Spin-Off Costs and 2012-2014 Restructuring Program costs incurred in the first nine months of 2012. Excluding these factors, selling, general and administrative expenses increased $195 million from the first nine months of 2011, driven primarily by higher advertising and consumer promotion costs in each of the geographic units, partially offset by the reversal of reserves not required carried over from the Cadbury acquisition in 2010. Unfavorable foreign currency decreased operating income by $147 million, due primarily to the strength of the U.S. dollar relative to most foreign currencies, primarily the euro, Brazilian real, Indian rupee and Canadian dollar, partially offset by the impact of adjustments in the prior year related to the highly inflationary Venezuelan economy. The change in unrealized gains / (losses) on hedging activities increased operating income by $143 million, as we recognized gains of $101 million in the first nine months of 2012, versus losses of $42 million in the first nine months of 2011. Accounting calendar changes made in the second quarter of 2011 resulted in a decrease in operating income of $51 million. During the first quarter of 2012, we recorded an asset impairment charge of $20 million related to a trademark in Japan. The Starbucks CPG cessation, which occurred on March 1, 2011, decreased operating income by $15 million.

As a result of the net effect of these drivers, operating income margin increased, from 13.0% in the first nine months of 2011 to 13.3% in the first nine months of 2012. The margin increase was due primarily to higher gross margin, reflecting the impact of pricing actions taken in prior quarters net of increased input costs and the favorable change in unrealized gains on hedging activities, as well as lower Integration Program costs and overhead leverage, partially offset by the impact of 2012-2014 Restructuring Program costs and Spin-Off Costs.

Net Earnings and Diluted Earnings per Share Attributable to Mondelēz International – Net earnings attributable to Mondelēz International of $2,494 million decreased by $203 million (7.5%) in the first nine months of 2012. Diluted EPS attributable to Mondelēz International was $1.40 in the first nine months of 2012, down $0.12 (7.9%) from $1.52 in the first nine months of 2011. Operating EPS[1] was $1.88 in the first nine months of 2012, up $0.16 (9.3%) from $1.72 in the first nine months of 2011. These changes, shown net of tax below, were due to the following:

		Diluted EPS
Diluted EPS Attributable to Mondelēz International for the Nine Months Ended September 30, 2011	**$**	**1.52**
Integration Program costs		0.20
Operating EPS[1] for the Nine Months Ended September 30, 2011	**$**	**1.72**
Increases in operations		0.17
Change in unrealized gains / (losses) on hedging activities		0.05
Gain on sale of property		0.02
Impact of accounting calendar changes		(0.02)
Asset impairment charge		(0.01)
Decreased operating income from the Starbucks CPG business cessation		(0.01)
Lower interest and other expense, net[2]		0.03
Unfavorable foreign currency[3]		(0.05)
Changes in income taxes		–
Higher shares outstanding		(0.02)
Operating EPS[1] for the Nine Months Ended September 30, 2012	**$**	**1.88**
Spin-Off Costs[2]		(0.36)
2012-2014 Restructuring Program costs		(0.08)
Integration Program costs		(0.04)
Diluted EPS Attributable to Mondelēz International for the Nine Months Ended September 30, 2012	**$**	**1.40**

(1) Please see the *Non-GAAP Financial Measures* section at the end of this item.
(2) Spin-Off Costs include $365 million of pre-tax Spin-Off Costs in selling, general and administrative expense and $619 million of pre-tax Spin-Off Costs in interest expense.
(3) Includes the favorable foreign currency impact on interest expense related to our foreign denominated debt.

Results of Operations by Reportable Segment

We manage and report operating results through three geographic units: North America, Europe and Developing Markets. We manage the operations of North America and Europe by product category and we manage the operations of Developing Markets by location. Our reportable segments reflect our organization as of September 30, 2012. In conjunction with the Spin-Off and divestiture of Kraft Foods Group, beginning on October 1, 2012, the following segments will no longer be included within our results of continuing operations: U.S. Beverage, U.S. Cheese, U.S. Convenient Meals, U.S. Grocery and the Kraft Foods Group portions of the following segments: Canada & N.A. Foodservice, U.S. Snacks (*Planters* and *Corn Nuts* brands and businesses) and Developing Markets (Puerto Rico grocery operations and North American grocery export sales).

The following discussion compares the net revenues and earnings of each of our reportable segments for the three and nine months ended September 30, 2012 and 2011.

	For the Three Months Ended September 30, 2012	For the Three Months Ended September 30, 2011	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011
	(in millions)			
Net revenues:				
North America:				
U.S. Beverages	$ 682	$ 681	$ 2,168	$ 2,281
U.S. Cheese	917	902	2,749	2,651
U.S. Convenient Meals	891	863	2,601	2,536
U.S. Grocery	898	836	2,739	2,603
U.S. Snacks	1,621	1,579	4,716	4,581
Canada & N.A. Foodservice	1,286	1,272	3,725	3,735
Europe	2,849	3,099	9,004	9,640
Developing Markets	3,765	3,994	11,586	11,650
Net revenues	$ 12,909	$ 13,226	$ 39,288	$ 39,677
Earnings before income taxes:				
Operating income:				
North America:				
U.S. Beverages	$ 76	$ 101	$ 308	$ 400
U.S. Cheese	159	145	482	422
U.S. Convenient Meals	116	105	338	309
U.S. Grocery	284	292	974	963
U.S. Snacks	241	221	643	606
Canada & N.A. Foodservice	191	171	491	510
Europe	415	334	1,195	1,057
Developing Markets	539	582	1,608	1,505
Unrealized gains / (losses) on hedging activities	54	(4)	101	(42)
Certain U.S. pension plan costs	(90)	(57)	(237)	(143)
General corporate expenses	(279)	(134)	(518)	(265)
Amortization of intangibles	(54)	(58)	(163)	(172)
Operating income	1,652	1,698	5,222	5,150
Interest and other expense, net	864	425	1,846	1,312
Earnings before income taxes	$ 788	$ 1,273	$ 3,376	$ 3,838

As discussed in Note 15, *Segment Reporting*, management uses segment operating income to evaluate segment performance and allocate resources. We believe 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 our U.S. pension plan cost (which are a component of cost of sales and 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. We exclude the unrealized gains and losses on hedging activities from segment operating income in order to provide better transparency of our segment operating results. Once realized, we record the gains and losses on hedging activities within segment operating results. We exclude certain components of our U.S. pension plan cost from segment operating income because we centrally manage pension plan funding decisions and the determination of discount rate, expected rate of return on plan assets and other actuarial assumptions. Therefore, we allocate only the service cost component of our U.S. pension plan expense to segment operating income.

On March 1, 2011, Starbucks took control of the Starbucks CPG business in grocery stores and other channels. Starbucks did so without our authorization and in what we contend is a violation and breach of our license and supply agreement with Starbucks related to the Starbucks CPG business. The results of the Starbucks CPG Business were included primarily in our U.S. Beverage and Canada & N.A. Foodservice segments through March 1, 2011. The dispute is in arbitration in Chicago, Illinois. We are seeking appropriate remedies, including payment of the fair market value of the supply and license agreement, plus the premium this agreement specifies, prejudgment interest under New York law and attorney's fees. Starbucks has counterclaimed for damages. Testimony and post-hearing briefing in the arbitration proceeding are completed, and we await the arbitrator's decision. Kraft Foods Group remains the named party in the proceeding. Under the Separation and Distribution Agreement between Kraft Foods Group and us, Kraft Foods Group will direct any recovery awarded in the arbitration proceeding to us. We will reimburse Kraft Foods Group for any costs and expenses it incurs in connection with the arbitration.

In March 2012, we divested a property of a Developing Markets subsidiary located in Russia for approximately $72 million in net proceeds and recorded a $55 million pre-tax gain within selling, general and administrative expenses.

Net changes in unrealized gains / (losses) on hedging activities were favorable, primarily related to gains on foreign currency contracts and commodity hedging activity of $54 million for the three months ended September 30, 2012, and were unfavorable due to losses of $4 million for the three months ended September 30, 2011. Net changes in unrealized gains / (losses) on hedging activities were favorable, primarily related to gains on foreign currency contracts and commodity hedging activity of $101 million for the nine months ended September 30, 2012, and were unfavorable due to losses of $42 million for the nine months ended September 30, 2011.

In connection with our 2012-2014 Restructuring Program, we recorded restructuring charges of $57 million for the three months and $218 million for the nine months ended September 30, 2012. We also recorded implementation costs of $12 million for the three months and $20 million for the nine months ended September 30, 2012. We recorded the restructuring charges in operations, as a part of asset impairment and exit costs, and recorded the implementation costs in operations, as a part of cost of sales and selling, general and administrative expenses. These charges are recorded primarily within our North America geographic unit.

In September 2012, we recorded a $38 million benefit within our Europe segment related to the reversal of reserves carried over from the Cadbury acquisition in 2010 and not required.

We recorded Integration Program charges of $29 million during the three months and $107 million during the nine months ended September 30, 2012. During the three months ended September 30, 2012, we also reversed $43 million of Integration Program charges previously accrued in the fourth quarter of 2010 primarily related to planned and announced position eliminations that did not occur within our Europe segment. The reversal was based on final negotiations with local workers councils, the majority of which were concluded in April 2012. In 2011, we recorded Integration Program charges of $112 million for the three months and $352 million for the nine months ended September 30, 2011. We recorded these charges in operations, as a part of selling, general and administrative expenses primarily within our Europe and Developing Markets segments, as well as within general corporate expenses.

The increase in general corporate expenses for the three months ended September 30, 2012 was due primarily to $201 million of Spin-Off Costs within general corporate expenses, partially offset by lower Integration Program costs. The increase in general corporate expenses for the nine months ended September 30, 2012 was due primarily to $340 million of Spin-Off Costs within general corporate expenses, partially offset by lower Integration Program costs.

The increase in interest and other expense, net for the three months ended September 30, 2012 was due primarily to $457 million of Spin-Off Costs within interest expense. The increase in interest and other expense, net for the nine months ended September 30, 2012 was due primarily to $619 million of Spin-Off Costs within interest expense.

U.S. Beverages

	For the Three Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 682	$ 681	$ 1	0.1%
Segment operating income	76	101	(25)	(24.8%)

	For the Nine Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 2,168	$ 2,281	$ (113)	(5.0%)
Segment operating income	308	400	(92)	(23.0%)

Three Months Ended September 30:

Net revenues increased $1 million (0.1%), due to favorable volume/mix (0.7 pp, including a positive impact of approximately 3.2 pp due to customer inventory shifts related to the Spin-Off), partially offset by lower net pricing (0.6 pp). Favorable volume/mix was driven primarily by higher shipments in *Kool-Aid* ready-to-drink beverages, *Maxwell House* and *Gevalia* coffee, *MiO* liquid concentrate and *Crystal Light* powdered beverages partially offset by lower shipments in *Capri Sun* ready-to-drink beverages. Lower net pricing was reflected primarily in coffee, driven by lower input cost-driven pricing, and in powdered beverages, partially offset by higher net pricing in ready-to-drink beverages.

Segment operating income decreased $25 million (24.8%), due primarily to costs incurred for the 2012-2014 Restructuring Program and higher advertising and consumer promotion costs, partially offset by lower manufacturing costs.

Nine Months Ended September 30:

Net revenues decreased $113 million (5.0%), due to the impact of the Starbucks CPG business cessation (3.8 pp) and unfavorable volume/mix (2.2 pp, including a positive impact of approximately 1.0 pp due to customer inventory shifts related to the Spin-Off), partially offset by higher net pricing (1.0 pp). Unfavorable volume/mix was driven primarily by lower shipments in *Capri Sun* ready-to-drink beverages, due to higher sales in the fourth quarter of 2011 in advance of an announced increase in list prices, and powdered beverages, which was partially offset by higher shipments in *Kool-Aid* ready-to-drink beverages, *Gevalia* coffee due to its introduction into the retail market *and MiO* liquid concentrate. Higher net pricing was due primarily to higher input cost-driven pricing in ready-to-drink beverages, partially offset by lower input cost-driven pricing in coffee.

Segment operating income decreased $92 million (23.0%), due primarily to higher raw material costs, costs incurred for the 2012-2014 Restructuring Program, unfavorable volume/mix, the impact of the Starbucks CPG business cessation and higher advertising and consumer promotion costs, partially offset by lower manufacturing costs and higher net pricing.

U.S. Cheese

	For the Three Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 917	$ 902	$ 15	1.7%
Segment operating income	159	145	14	9.7%

	For the Nine Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 2,749	$ 2,651	$ 98	3.7%
Segment operating income	482	422	60	14.2%

Three Months Ended September 30:

Net revenues increased $15 million (1.7%), due to favorable volume/mix (6.0 pp, including a positive impact of approximately 3.9 pp due to customer inventory shifts related to the Spin-Off, partially offset by a detriment of approximately 1.2 pp due to product pruning), partially offset by lower net pricing (4.3 pp). Favorable volume/mix was driven primarily by higher shipments in natural and cream cheese categories. Lower net pricing was due to input cost-driven pricing actions across most major cheese categories.

Segment operating income increased $14 million (9.7%), due primarily to lower raw material costs (primarily lower dairy costs), favorable volume mix and lower manufacturing costs, partially offset by lower net pricing, higher advertising and consumer promotion costs and costs incurred for the 2012-2014 Restructuring Program.

Nine Months Ended September 30:

Net revenues increased $98 million (3.7%), due to higher net pricing (3.7 pp), as volume/mix was flat (including a positive impact of approximately 1.4 pp due to customer inventory shifts related to the Spin-Off, partially offset by a detriment of approximately 0.9 pp due to product pruning). Higher net pricing was due to input cost-driven pricing actions across all major cheese categories. Volume/mix was flat driven primarily by lower shipments in cultured and processed cheese categories, partially offset by higher shipments in snacking cheese, cream cheese and natural cheese categories.

Segment operating income increased $60 million (14.2%), due primarily to higher net pricing, lower manufacturing costs, lower other selling, general and administrative expenses (excluding advertising and consumer promotion costs) and lower raw material costs (primarily lower dairy costs), partially offset by costs incurred for the 2012-2014 Restructuring Program and higher advertising and consumer promotion costs.

U.S. Convenient Meals

	For the Three Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 891	$ 863	$ 28	3.2%
Segment operating income	116	105	11	10.5%

	For the Nine Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 2,601	$ 2,536	$ 65	2.6%
Segment operating income	338	309	29	9.4%

Three Months Ended September 30:

Net revenues increased $28 million (3.2%), due to higher net pricing (2.4 pp) and favorable volume/mix (0.8 pp, including a positive impact of approximately 2.3 pp due to customer inventory shifts related to the Spin-Off, offset by a detriment of approximately 2.7 pp due to product pruning). Higher net pricing was due to input cost-driven pricing actions primarily related to *Lunchables* and hot dogs. Favorable volume/mix was driven primarily by higher shipments in lunch meats and bacon, partially offset by lower shipments in hot dogs.

Segment operating income increased $11 million (10.5%), due primarily to higher net pricing and lower manufacturing costs, partially offset by higher advertising and consumer promotion costs, costs incurred for the 2012-2014 Restructuring Program and higher raw material costs.

Nine Months Ended September 30:

Net revenues increased $65 million (2.6%), due to higher net pricing (2.2 pp) and favorable volume/mix (0.4 pp, including a positive impact of approximately 0.8 pp due to customer inventory shifts related to the Spin-Off, offset by a detriment of approximately 2.2 pp due to product pruning). Higher net pricing was due to input cost-driven pricing actions primarily related to *Lunchables* and hot dogs. Favorable volume/mix was driven primarily by higher shipments in lunch meats and bacon, partially offset by lower shipments in hot dogs.

Segment operating income increased $29 million (9.4%), due to higher net pricing, lower manufacturing costs, lower other selling, general and administrative expenses (excluding advertising and consumer promotion costs) and favorable volume/mix, partially offset by higher raw material costs, costs incurred for the 2012-2014 Restructuring Program and higher advertising and consumer promotion costs.

U.S. Grocery

	For the Three Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 898	$ 836	$ 62	7.4%
Segment operating income	284	292	(8)	(2.7%)

	For the Nine Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 2,739	$ 2,603	$ 136	5.2%
Segment operating income	974	963	11	1.1%

Three Months Ended September 30:

Net revenues increased $62 million (7.4%), due to favorable volume/mix (3.8 pp, including a positive impact of approximately 3.7 pp due to customer inventory shifts related to the Spin-Off) and higher net pricing (3.6 pp). Favorable volume/mix was driven primarily by higher shipments in *Kraft* macaroni and cheese dinners, dessert toppings and dry packaged desserts, partially offset by lower shipments in spoonable dressings, ready-to-eat desserts and pourable dressings. Higher net pricing was realized across most key categories, including *Kraft* macaroni and cheese dinners, *Planters* peanut butter, pourable dressings and spoonable dressings.

Segment operating income decreased $8 million (2.7%), due to higher other selling, general and administrative expenses, higher advertising and consumer promotion costs, higher raw material costs and costs incurred for the 2012-2014 Restructuring Program, partially offset by higher net pricing, lower manufacturing costs and favorable volume/mix.

Nine Months Ended September 30:

Net revenues increased $136 million (5.2%), due to higher net pricing (3.8 pp) and favorable volume/mix (1.4 pp, including a positive impact of approximately 1.2 pp due to customer inventory shifts related to the Spin-Off). Higher net pricing was realized across most key categories, including *Kraft* macaroni and cheese dinners, pourable dressings, spoonable dressings and *Planters* peanut butter. Favorable volume/mix was driven primarily by higher shipments in *Kraft* macaroni and cheese dinners, *Planters* peanut butter and dry packaged desserts, partially offset by lower shipments in ready-to-eat desserts, barbecue sauce, pourable dressings and spoonable dressings.

Segment operating income increased $11 million (1.1%), due primarily to higher net pricing, lower advertising and consumer promotion costs and lower manufacturing costs, partially offset by higher raw material costs, unfavorable volume/mix, and costs incurred for the 2012-2014 Restructuring Program.

U.S. Snacks

	For the Three Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 1,621	$ 1,579	$ 42	2.7%
Segment operating income	241	221	20	9.0%

	For the Nine Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 4,716	$ 4,581	$ 135	2.9%
Segment operating income	643	606	37	6.1%

Three Months Ended September 30:

Net revenues increased $42 million (2.7%), due to higher net pricing (3.4 pp), partially offset by unfavorable volume/mix (0.7 pp, including a positive impact of approximately 1.7 pp due to customer inventory shifts related to the Spin-Off, offset by a detriment of approximately 0.3 pp due to product pruning). Biscuits net revenues increased due to higher net pricing across most key products, partially offset by unfavorable volume/mix including the impact of package size changes across certain products. Biscuits unfavorable volume/mix was due primarily to lower shipments in cookies, primarily *Chips Ahoy!, Oreo* and *100 Calorie Packs,* partially offset by the introduction of *belVita* and higher shipments in crackers, primarily *Honey Maid, Ritz* and *Triscuits.* Snack nuts net revenues decreased, due to unfavorable volume/mix, partially offset by higher net pricing. Confectionery net revenues were essentially flat, as favorable volume/mix was offset by lower net pricing.

Segment operating income increased $20 million (9.0%), due primarily to higher net pricing, favorable volume/mix, lower manufacturing costs and lower Integration Program costs, partially offset by higher other selling, general and administrative expenses, higher raw material costs, costs incurred for the 2012-2014 Restructuring Program and higher advertising and consumer promotion costs.

Nine Months Ended September 30:

Net revenues increased $135 million (2.9%), due to higher net pricing (6.0 pp), partially offset by unfavorable volume/mix (3.1 pp, including a positive impact of approximately 0.6 pp due to customer inventory shifts related to the Spin-Off, offset by a detriment of approximately 0.4 pp due to product pruning). Biscuits net revenues increased due to higher net pricing across most key products, partially offset by unfavorable volume/mix including the impact of package size changes across certain products. Biscuits unfavorable volume/mix was due primarily to lower shipments in cookies, primarily *Chips Ahoy!* and *100 Calorie Packs* partially offset by the introduction of *belVita* and volume gains in *Newton,* while shipments in crackers were flat reflecting gains in *Honey Maid*, *Triscuits* and *Ritz* offset by declines in *Premium, 100 Calorie Packs* and *Wheat Thins.* Snack nuts net revenues increased slightly, due to higher net pricing, mostly offset by unfavorable volume/mix. Confectionery net revenues decreased, due to lower net pricing, partially offset by favorable volume/mix.

Segment operating income increased $37 million (6.1%), due primarily to higher net pricing, lower Integration Program costs, lower advertising and consumer promotion costs and lower manufacturing costs, partially offset by higher raw material costs, costs incurred for the 2012-2014 Restructuring Program, higher other selling, general and administrative expenses and unfavorable volume/mix.

Canada & N.A. Foodservice

	For the Three Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 1,286	$ 1,272	$ 14	1.1%
Segment operating income	191	171	20	11.7%

	For the Nine Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 3,725	$ 3,735	$ (10)	(0.3%)
Segment operating income	491	510	(19)	(3.7%)

Three Months Ended September 30:

Net revenues increased $14 million (1.1%), due to favorable volume/mix (2.9 pp, including a positive impact of approximately 2.8 pp due to customer inventory shifts related to the Spin-Off, offset by a detriment of 2.5 pp due to product pruning), partially offset by unfavorable foreign currency (1.2 pp) and lower net pricing (0.6 pp). In Canada, net revenues increased driven by favorable volume/mix, partially offset by unfavorable foreign currency and lower net pricing. Favorable volume/mix was due primarily to higher shipments in cheese and biscuits, partially offset by lower shipments in confections and grocery as well as the completion in the fourth quarter of 2011 of a co-manufacturing agreement from a previous divestiture and the *Del Monte* ready-to-drink product exit in the second quarter of 2012. In N.A. Foodservice, net revenues decreased driven by unfavorable volume/mix due to product pruning and unfavorable foreign currency, partially offset by higher pricing.

Segment operating income increased $20 million (11.7%), due primarily to lower other selling, general and administrative expenses (excluding advertising and consumer promotion costs), favorable volume/mix, lower raw material costs, lower manufacturing costs and lower Integration Program costs, partially offset by higher advertising and consumer promotion costs and lower net pricing.

Nine Months Ended September 30:

Net revenues decreased $10 million (0.3%), due to unfavorable foreign currency (1.6 pp), unfavorable volume/mix (0.6 pp, including a positive impact of approximately 1.0 pp due to customer inventory shifts related to the Spin-Off, offset by a detriment of 2.8 pp due to product pruning) and the impact of the Starbucks CPG business cessation (0.1 pp), partially offset by higher net pricing (2.0 pp). In Canada, net revenues were flat as higher net pricing and favorable volume/mix was offset by unfavorable foreign currency and the impact of the Starbucks CPG business cessation. Favorable volume/mix was due primarily to higher shipments in cheese and biscuits, partially offset by lower shipments in grocery and confections as well as the completion of a co-manufacturing agreement from a previous divestiture and the *Del Monte* ready-to-drink product exit. In N.A. Foodservice, net revenues decreased driven by unfavorable volume/mix due to product pruning and unfavorable foreign currency, mostly offset by higher net pricing.

Segment operating income decreased $19 million (3.7%), due primarily to higher raw material costs, costs incurred for the 2012-2014 Restructuring Program, higher advertising and consumer promotion costs and unfavorable foreign currency, partially offset by higher net pricing, lower Integration Program costs and favorable volume/mix.

Europe

	For the Three Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 2,849	$ 3,099	$ (250)	(8.1%)
Segment operating income	415	334	81	24.3%

	For the Nine Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 9,004	$ 9,640	$ (636)	(6.6%)
Segment operating income	1,195	1,057	138	13.1%

Three Months Ended September 30:

Net revenues decreased $250 million (8.1%), due to unfavorable foreign currency (8.8 pp) and lower net pricing (0.7 pp), partially offset by favorable volume/mix (1.4 pp). Unfavorable foreign currency primarily reflected the strength of the U.S. dollar relative to the euro, Swiss franc and British pound sterling. Lower net pricing was reflected in coffee and chocolate. Favorable volume/mix was driven by higher shipments in chocolate and coffee, partially offset by lower shipments in cheese & grocery, biscuits and gum & candy.

Segment operating income increased $81 million (24.3%), due primarily to lower Integration Program costs (including the $43 million reversal of Integration Program charges previously accrued in the fourth quarter of 2010 primarily related to planned and announced position eliminations that did not occur upon concluding the majority of local workers council negotiations in April 2012), lower manufacturing costs and lower other selling, general and administrative expenses (which includes a $38 million benefit related to the reversal of reserves not required carried over from the Cadbury acquisition in 2010), partially offset by unfavorable foreign currency, lower net pricing, unfavorable volume/mix, higher raw material costs and higher advertising and consumer promotion costs.

Nine Months Ended September 30:

Net revenues decreased $636 million (6.6%), due to unfavorable foreign currency (6.8 pp) and the impact of prior year’s accounting calendar changes (2.9 pp), partially offset by favorable volume/mix (1.6 pp) and higher net pricing (1.5 pp). Unfavorable foreign currency primarily reflected the strength of the U.S. dollar relative to the euro, British pound sterling and Swedish krona. Favorable volume/mix was driven primarily by higher shipments in chocolate and biscuits and favorable product mix in coffee, partially offset by lower shipments in cheese & grocery and gum & candy. Higher net pricing was reflected across all categories except chocolate and gum & candy.

Segment operating income increased $138 million (13.1%), due primarily to lower Integration Program costs (including the $43 million reversal of Integration Program charges previously accrued in the fourth quarter of 2010 primarily related to planned and announced position eliminations that did not occur upon concluding the majority of local workers council negotiations in April 2012), higher net pricing, lower manufacturing costs, lower other selling, general and administrative expenses (which includes a $38 million benefit related to the reversal of reserves not required carried over from the Cadbury acquisition in 2010), and favorable volume/mix, partially offset by higher raw material costs, unfavorable foreign currency, higher advertising and consumer promotion costs and the impact of prior year’s accounting calendar changes.

Developing Markets

	For the Three Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 3,765	$ 3,994	$ (229)	(5.7%)
Segment operating income	539	582	(43)	(7.4%)

	For the Nine Months Ended September 30, 2012	2011	$ change	% change
	(in millions)			
Net revenues	$ 11,586	$ 11,650	$ (64)	(0.5%)
Segment operating income	1,608	1,505	103	6.8%

Three Months Ended September 30:

Net revenues decreased $229 million (5.7%), due to unfavorable foreign currency (7.5 pp) and unfavorable volume/mix (2.5 pp), partially offset by higher net pricing (4.3 pp). In Central and Eastern Europe, net revenues decreased driven by unfavorable foreign currency, unfavorable volume/mix, primarily in Russia and Turkey, and lower net pricing across most of the region. In Middle East and Africa, net revenues increased driven by higher net pricing across most of the region and favorable volume/mix, primarily in the Middle East, partially offset by unfavorable foreign currency. In Latin America, net revenues decreased driven by unfavorable foreign currency and unfavorable volume/mix across most of the region, partially offset by higher net pricing. In Asia Pacific, net revenues decreased due to unfavorable foreign currency and unfavorable volume/mix, as declines in Australia/New Zealand, North Asia and Indonesia offset a gain in China, partially offset by higher net pricing across most of the region.

Segment operating income decreased $43 million (7.4%), due primarily to higher raw material costs, unfavorable volume/mix, unfavorable foreign currency, higher manufacturing costs, Spin-Off Costs and higher other selling, general and administrative expenses, partially offset by higher net pricing, lower Integration Program costs and lower advertising and consumer promotion costs.

Nine Months Ended September 30:

Net revenues decreased $64 million (0.5%), due to unfavorable foreign currency (6.5 pp) and the impact of prior year’s accounting calendar changes (0.8 pp), partially offset by higher net pricing (5.8 pp) and favorable volume/mix (1.0 pp). In Central and Eastern Europe, net revenues decreased driven by unfavorable foreign currency, unfavorable volume/mix, primarily in Russia, Turkey and Ukraine and the impact of prior year’s accounting calendar changes, partially offset by higher net pricing across the region. In Middle East and Africa, net revenues increased driven by favorable volume/mix and higher net pricing across most of the region, partially offset by unfavorable foreign currency and the impact of prior year’s accounting calendar changes. In Latin America, net revenues decreased driven by unfavorable foreign currency, unfavorable volume/mix, primarily in Mexico and Venezuela, and the impact of prior year’s accounting calendar changes, partially offset by higher net pricing across the region. In Asia Pacific, net revenues increased due to higher net pricing across most of the region, favorable volume/mix, primarily in China, Southeast Asia and Australia/New Zealand, partially offset by unfavorable foreign currency.

Segment operating income increased $103 million (6.8%), due primarily to higher net pricing, favorable volume/mix, lower Integration Program costs and a gain on the sale of a property in Russia, partially offset by higher raw material costs, higher advertising and consumer promotion costs, unfavorable foreign currency, higher other selling, general and administrative expenses, Spin-Off Costs incurred, an asset impairment charge related to a trademark in Japan, higher manufacturing costs, the impact from prior year’s accounting calendar changes and costs incurred for the 2012-2014 Restructuring Program.

Commodity Trends

We purchase large quantities of commodities, including dairy products, coffee beans, cocoa, wheat, corn products, soybean and vegetable oils, nuts, meat products, and sugar and other sweeteners. In addition, we use significant quantities of resins and cardboard to package our products, and natural gas for our factories and warehouses. We continuously monitor worldwide supply and cost trends of these commodities so we can act quickly to procure ingredients and packaging materials needed for production.

During the first nine months of 2012, our aggregate commodity costs increased over the comparable prior year period, primarily as a result of packaging material and energy costs, nuts, cocoa and sugar and grain and oil costs. We expect the price volatility and higher cost environment to continue over the remainder of the year. As noted earlier in our discussion of our operating results, we have addressed higher commodity costs primarily through higher pricing, lower manufacturing costs due to our end-to-end cost management program and overhead cost control. We expect to continue to use these measures to address further commodity cost increases.

Liquidity

We believe that cash generated from our operating activities, our existing $4.5 billion revolving credit facility (which supports our commercial paper program) and our authorized long-term financing will provide sufficient liquidity to meet our working capital needs, planned capital expenditures, future contractual obligations and payment of our anticipated quarterly dividends. We continue to use our commercial paper program and primarily uncommitted international credit lines for daily funding requirements. We also use short-term intercompany loans from our foreign subsidiaries to improve financial flexibility. Overall, we do not expect any negative effects to our funding sources that would have a material effect on our short-term or long-term liquidity.

Net Cash Provided by Operating Activities:
During the first nine months of 2012, net cash provided by operating activities was $2,175 million, compared with $1,665 million provided in the first nine months of 2011. The increase in cash provided by operating cash flows primarily relates to increased earnings excluding non-cash items (such as depreciation and amortization, stock based compensation, deferred income taxes and asset impairments), lower Integration Program spending and lower contributions to our pension plans than in the prior year, partially offset by higher interest payments this year.

Net Cash Used in Investing Activities:
During the first nine months of 2012, net cash used in investing activities was $1,129 million, compared with $1,244 million used in the first nine months of 2011. The decrease in cash used in investing activities primarily relates to lower capital expenditures in the first nine months of 2012 as well as proceeds received from the sale of property, plant and equipment in the first nine months of 2012.

Net Cash Provided by / Used in Financing Activities:
During the first nine months of 2012, net cash provided by financing activities was $828 million, compared with $843 million used in the first nine months of 2011. The increase in net cash provided by financing activities was primarily due to higher proceeds from the issuance of long-term debt during the first nine months of 2012, partially offset by higher long-term debt repayments in the first nine months of 2012, higher proceeds from stock option exercises following the vesting of a large grant of initial public offering equity awards in the prior year and higher debt issuance costs this year.

Borrowing Arrangements:
We maintain a $4.5 billion four-year senior unsecured revolving credit facility agreement which expires in April 2015. This facility includes a covenant that we maintain a minimum total shareholders' equity, excluding accumulated other comprehensive earnings / (losses), of at least $28.6 billion. At September 30, 2012, our total shareholders' equity, excluding accumulated other comprehensive earnings / (losses), was $43.1 billion. Following the Spin-Off and divestiture of Kraft Foods Group, we expect to continue to meet this covenant. The revolving credit facility agreement also contains customary representations, covenants and events of default. However, there are no other financial covenants, credit rating triggers or provisions that could require us to post collateral as security. We intend to use the revolving credit facility for general corporate purposes, including for working capital purposes and to support our commercial paper issuances. As of September 30, 2012, no amounts were drawn on this credit facility.

On March 8, 2012, in connection with the Spin-Off, Kraft Foods Group entered into a $4.0 billion 364-day senior unsecured revolving credit facility that was set to expire on March 7, 2013. On July 18, 2012, we reduced the unused commitment under the facility to $1.4 billion of borrowing capacity. On September 24, 2012, after substantially completing the Kraft Foods Group Spin-Off financing plans, Kraft Foods Group paid the accrued facility fees and terminated the revolving credit agreement.

On May 18, 2012, in connection with the Spin-Off, Kraft Foods Group entered into a $3.0 billion five-year senior unsecured revolving credit facility that expires on May 17, 2017. Borrowings under the facility bear interest at a variable rate based on the London Inter-Bank Offered Rate ("LIBOR") or a defined base rate, at the election of Kraft Foods Group plus an applicable margin based on certain debt credit ratings before or after the Spin-Off. Prior to the Spin-Off, we guaranteed any borrowings against this facility. As of September 30, 2012 and through the Spin-Off date, no amounts were drawn on this credit facility and as of the Spin-Off date, we no longer are a guarantor on the credit facility.

Some of our international subsidiaries maintain primarily uncommitted credit lines to meet short-term working capital needs. Collectively, these credit lines amounted to $2.3 billion at September 30, 2012. In the aggregate, borrowings on these lines were $263 million at September 30, 2012 and $182 million at December 31, 2011.

Long-Term Debt:
On January 10, 2012, we issued $800 million of floating rate notes which bear interest equal to the three-month LIBOR plus 0.875%. We received net proceeds of $798.8 million from the issuance. The notes were set to mature on July 10, 2013 or subject to a mandatory redemption tied to the public announcement of the Record Date for the Spin-Off. After announcing the Record Date, on September 24, 2012, the notes were redeemed at a redemption price equal to 100% of the aggregate principal amount of the notes, or $800 million, plus accrued and unpaid interest of $2 million.

On June 1, 2012, $900 million of our 6.25% notes matured and were repaid primarily from commercial paper borrowings which were subsequently repaid from proceeds received from the Kraft Foods Group $6.0 billion notes issued on June 4, 2012.

On June 4, 2012, Kraft Foods Group issued $6.0 billion of senior unsecured notes at a weighted-average effective rate of 3.938%. The net proceeds of $5.9 billion were used to pay $3.6 billion of outstanding commercial paper borrowings and we expect to use the remaining cash proceeds to pay down additional debt over time. Kraft Foods Group also recorded approximately $260 million of deferred financing costs which will be recognized in interest expense over the life of the notes. The general terms of the $6.0 billion notes are:

- $1 billion notes due June 4, 2015 at a fixed, annual interest rate of 1.625%. Interest is payable semiannually beginning December 4, 2012.
- $1 billion notes due June 5, 2017 at a fixed, annual interest rate of 2.250%. Interest is payable semiannually beginning December 5, 2012.
- $2 billion notes due June 6, 2022 at a fixed, annual interest rate of 3.500%. Interest is payable semiannually beginning December 6, 2012.
- $2 billion notes due June 4, 2042 at a fixed, annual interest rate of 5.000%. Interest is payable semiannually beginning December 4, 2012.

On July 18, 2012, we completed a debt exchange in which $3.6 billion of our debt was exchanged for debt of Kraft Foods Group in connection with our Spin-Off capitalization plan. No cash was generated from the exchange. The general terms of the $3.6 billion notes issued by Kraft Foods Group are:

- $1,035 million notes due August 23, 2018 at a fixed, annual interest rate of 6.125%. Interest is payable semiannually beginning August 23, 2012. (This debt was issued in exchange for $596 million of our 6.125% Notes due in February 2018 and $439 million of our 6.125% Notes due in August 2018).
- $900 million notes due February 10, 2020 at a fixed, annual interest rate of 5.375%. Interest is payable semiannually beginning August 10, 2012. (This debt was issued in exchange for an approximately equal principal amount of our 5.375% Notes due in February 2020).
- $878 million notes due January 26, 2039 at a fixed, annual interest rate of 6.875%. Interest is payable semiannually beginning July 26, 2012. (This debt was issued in exchange for approximately $233 million of our 6.875% Notes due in January 2039, approximately $290 million of our 6.875% Notes due in February 2038, approximately $185 million of our 7.000% Notes due in August 2037 and approximately $170 million of our 6.500% Notes due in November 2031).
- $787 million notes due February 9, 2040 at a fixed, annual interest rate of 6.500%. Interest is payable semiannually beginning August 9, 2012. (This debt was issued in exchange for an approximately equal principal amount of our 6.500% Notes due in 2040).

On August 30, 2012, we extended the term of a $150 million Canadian dollar loan (or $152 million in U.S. dollars as of September 30, 2012) to October 2, 2012 and paid off the loan on October 2, 2012.

On October 1, 2012, in connection with finalizing the Spin-Off and related debt capitalization plan for Kraft Foods Group, approximately $400 million of our 7.55% senior unsecured notes was retained by Kraft Foods Group. No cash was generated from the transaction which will also be reflected in our consolidated financial statements in the fourth quarter ended December 31, 2012.

We expect to continue to comply with our long-term debt covenants. Refer to our Annual Report on Form 10-K for the year ended December 31, 2011 for further details of our debt covenants.

Total Debt:
Our total debt was $29.5 billion at September 30, 2012 and $26.9 billion at December 31, 2011. Our debt-to-capitalization ratio was 0.45 at September 30, 2012 and 0.43 at December 31, 2011. At September 30, 2012, the weighted-average term of our outstanding long-term debt was 10.9 years.

In the next 12 months, $1.9 billion of long-term debt will mature as follows: $150 million Canadian dollar loan (approximately $152 million in U.S. dollars as of September 30, 2012) in October 2012, $750 million in February 2013 and $1.0 billion in May 2013. We expect to fund these repayments with the remaining proceeds from the Kraft Foods Group’s $6.0 billion debt issuance in June 2012, cash from operations and the issuance of commercial paper. From time to time we refinance long-term and short-term debt. The nature and amount of our long-term and short-term debt and the proportionate amount of each will vary as a result of future business requirements, market conditions and other factors. As of September 30, 2012, we had $11.2 billion remaining in long-term financing authority from our Board of Directors.

Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

There were no material changes to our off-balance sheet arrangements disclosed in our Annual Report on Form 10-K for the year ended December 31, 2011.

During the first nine months of 2012 our long-term debt and expected interest payments increased as Kraft Foods Group issued $6.0 billion of senior unsecured notes. See Note 8, *Debt*, for additional information on the long-term debt issuances and related terms.

The following table summarizes our contractual obligations at September 30, 2012 related to our total long-term debt and interest expense for the periods presented.

	Payments Due for the 12-Month Period Ended September 30,				
	Total	2013	2014-15	2016-17	2018 and Thereafter
			(in millions)		
Long-term debt [(1)]	$ 29,277	$ 1,912	$ 5,280	$ 4,270	$ 17,815
Interest expense [(2)]	18,977	1,537	2,773	2,332	12,335
Total	$ 48,254	$ 3,449	$ 8,053	$ 6,602	$ 30,150

(1) Amounts represent the expected cash payments of our long-term debt and do not include unamortized bond premiums or discounts.
(2) Amounts represent the expected cash payments of our interest expense on our long-term debt. Interest calculated on our euro notes was forecasted using the euro to U.S. dollar exchange rate as of September 30, 2012. Interest on our pound sterling notes was forecasted using the pound sterling to U.S. dollar exchange rate as of September 30, 2012. An insignificant amount of interest expense was excluded from the table for a portion of our other foreign currency obligations due to the complexities involved in forecasting expected interest payments.

Through September 30, 2012, there were no other material changes to our aggregate contractual obligations than disclosed in our Annual Report on Form 10-K for the year ended December 31, 2011. In connection with our Spin-Off of Kraft Foods Group, we anticipate the transfer of a significant portion of our commitments and obligations. We also do not expect a material adverse change in the effect these arrangements and obligations will have on our liquidity. See our Liquidity section for a discussion of the impacts of our long-term debt issuance on our liquidity position. See Note 12, *Commitments and Contingencies*, for a discussion of guarantees.

Equity and Dividends

Stock Plans:
In January 2012, in connection with our long-term incentive plan, we granted 1.3 million shares of restricted and deferred stock at a market value of $37.63 per share. In February 2012, as part of our annual equity program, we issued 2.2 million shares of restricted and deferred stock to eligible employees at a market value of $38.00 per share. During the nine months ended September 30, 2012, we issued 0.8 million of additional restricted and deferred shares with a weighted-average market value of $31.66 per share primarily in connection with our 2009 long-term incentive plan performance based awards which were issued and vested during the first quarter of 2012. In aggregate, we issued 4.3 million restricted and deferred shares during the nine months ended September 30, 2012 with a weighted-average market value of $36.69 per share. During the nine months ended September 30, 2012, 4.9 million shares of restricted and deferred stock vested at a market value of $186 million.

In February 2012, as part of our annual equity program, we granted 12.8 million stock options to eligible employees at an exercise price of $38.00 per share. During the nine months ended September 30, 2012, we issued 0.7 million of additional stock options with a weighted-average exercise price of $38.13 per share. In aggregate, we granted 13.5 million stock options during the nine months ended September 30, 2012 at a weighted-average exercise price of $38.00 per share at the time of grant. During the nine months ended September 30, 2012, there were 7.2 million stock options exercised with a total intrinsic value of $84 million.

In connection with the Spin-Off and separation of Kraft Foods Group, restricted and deferred stock awards (excluding long-term incentive plan awards) and employee stock option awards were modified and converted into new equity awards using a formula designed to preserve the fair value of the awards immediately prior to the Spin-Off. On October 1, 2012, holders of restricted and deferred stock awards received one share of Kraft Foods Group restricted or deferred shares for every three restricted or deferred shares they held prior to the Record Date. Holders of stock options awards received Mondelēz International stock options to purchase the same number of shares of Mondelēz International common stock at a reduced exercise price and one new Kraft Foods Group stock option for every three Mondelēz International stock options to preserve the fair value of the overall awards granted. Long-term incentive plan awards held by Kraft Foods Group employees were converted to Kraft Foods Group awards. Long-term incentive plan awards held by Mondelēz International employees will remain Mondelēz International awards. The underlying performance conditions for the Mondelēz International long-term incentive plan awards were modified and are consistent with our original performance targets adjusted to reflect our standalone business.

Dividends:
We paid dividends of $1,542 million in the first nine months of 2012 and $1,535 million in the first nine months of 2011. Prior to the Spin-Off of Kraft Foods Group on October 1, 2012, our annualized dividend rate was $1.16 per common share. Subsequent to distributing Kraft Foods Group, we expect to pay an annualized dividend rate of $0.52. For 2012, this would result in an expected $1.00 per common share dividend. The declaration of dividends is subject to the discretion of our Board of Directors and depends on various factors, including our net earnings, financial condition, cash requirements, future prospects and other factors that our Board of Directors deems relevant to its analysis and decision making.

Significant Accounting Estimates

We prepare our condensed consolidated financial statements in conformity with U.S. GAAP. The preparation of these financial statements requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates and assumptions. Our significant accounting policies are described in Note 1 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2011. Our significant accounting estimates are described in our Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2011. See Note 1, *Basis of Presentation*, for a discussion of the impact of new accounting standards. There were no changes in our accounting policies in the current period that had a material impact on our financial statements.

New Accounting Guidance

See Note 1, *Basis of Presentation*, for a discussion of new accounting guidance.

Contingencies

See Note 12, *Commitments and Contingencies*, and Part II, Item 1. *Legal Proceedings* for a discussion of contingencies.

Outlook

In connection with the Spin-Off, we have provided guidance based on standalone Mondelēz International results. We expect our 2013 Organic Net Revenue growth to be at the low end of our long-term growth target of 5 to 7 percent. We expect 2013 Operating EPS 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).

Please refer to the following *Non-GAAP Financial Measures* section.

Non-GAAP Financial Measures

We use certain non-GAAP financial measures to budget, make operating and strategic decisions and evaluate our performance. We disclose non-GAAP financial measures so that you have the same financial data that we use to assist you in making comparisons to our historical operating results and analyzing our underlying performance.

Our non-GAAP financial measures reflect how we evaluate our operating results currently. As new events or circumstances arise, these definitions could change over time:

- "Organic Net Revenues" which is defined as net revenues excluding the impact of acquisitions, divestitures (including for reporting purposes, the cessation of the Starbucks CPG business), accounting calendar changes (including a 53rd week in 2011), Integration Program costs and foreign currency rate fluctuations. (Integration Program costs are associated with integrating the Cadbury business. Certain of the costs may impact and reduce the amount of reported "net" revenues.)

- "Adjusted Operating Income" which is defined as operating income excluding the impact of the 2012-2014 Restructuring Program, Spin-Off Costs, Integration Program and Cadbury-related acquisition costs in prior periods. Previously, we referred to this non-GAAP financial measure as "Underlying Operating Income." We have conformed all prior period references to be consistent with our new term, Adjusted Operating Income.

- "Operating EPS" which is defined as Diluted EPS attributable to Mondelēz International excluding the impact of the 2012-2014 Restructuring Program, Spin-Off Costs, Integration Program, Cadbury-related acquisition and financing costs and the 2010 U.S. healthcare legislation change in prior periods.

We use the following non-GAAP financial measures in this quarterly report on Form 10-Q: "Organic Net Revenues," "Adjusted Operating Income" and "Operating EPS." We believe that the presentation of these non-GAAP financial measures, when considered together with our U.S. GAAP financial measures and the reconciliations to the corresponding U.S. GAAP financial measures, provides you with a more complete understanding of the factors and trends affecting our business than could be obtained absent these disclosures. Because non-GAAP financial measures may vary among other companies, the non-GAAP financial measures presented in the Consolidated Results of Operations section may not be comparable to similarly titled measures used by other companies. Our use of these non-GAAP financial measures is not meant to be considered in isolation or as a substitute for any U.S. GAAP financial measure. A limitation of these non-GAAP financial measures is they exclude items detailed below which have an impact on our U.S. GAAP reported results. The best way this limitation can be addressed is by evaluating our non-GAAP financial measures in combination with our U.S. GAAP reported results and carefully evaluating the following tables which reconcile U.S. GAAP reported figures to the non-GAAP financial measures in this Form 10-Q.

Organic Net Revenues

Using the definition of "Organic Net Revenues" above, the only adjustments made to "net revenues" (the most comparable U.S. GAAP financial measure) during the three and nine months ended September 30, 2012 were to exclude the impact of foreign currency, the impact of the accounting calendar change in 2011 and the impact of the Starbucks CPG business cessation. We believe that Organic Net Revenues better reflect the underlying growth from the ongoing activities of our business and provide improved comparability of results.

	For the Three Months Ended September 30, 2012	2011	$ Change	% Change
	(in millions)			
Organic Net Revenues	**$ 13,498**	**$ 13,226**	**$ 272**	**2.1%**
Impact of foreign currency	(589)	–	(589)	(4.5)pp
Net revenues	**$ 12,909**	**$ 13,226**	**$ (317)**	**(2.4)%**

	For the Nine Months Ended September 30, 2012	2011	$ Change	% Change
	(in millions)			
Organic Net Revenues	**$ 40,761**	**$ 39,225**	**$ 1,536**	**3.9%**
Impact of foreign currency	(1,473)	–	(1,473)	(3.8)pp
Impact of accounting calendar changes	–	361	(361)	(0.9)pp
Impact of the Starbucks CPG business cessation	–	91	(91)	(0.2)pp
Net revenues	**$ 39,288**	**$ 39,677**	**$ (389)**	**(1.0)%**

Adjusted Operating Income

Using the definition of "Adjusted Operating Income" above, the only adjustments made to "operating income" (the most comparable U.S. GAAP financial measure) during the three and nine months ended September 30, 2012 were to exclude Spin-Off Costs, 2012-2014 Restructuring Program costs and Integration Program costs. We believe that Adjusted Operating Income provides improved comparability of operating results.

	For the Three Months Ended September 30, 2012	2011	$ Change	% Change
	(in millions)			
Adjusted Operating Income	**$ 1,933**	**$ 1,810**	**$ 123**	**6.8 %**
Spin-Off Costs	(226)	–	(226)	(13.3)pp
2012-2014 Restructuring Program	(69)	–	(69)	(4.1)pp
Integration Program	14	(112)	126	7.9 pp
Operating income	**$ 1,652**	**$ 1,698**	**$ (46)**	**(2.7)%**

	For the Nine Months Ended September 30, 2012	2011	$ Change	% Change
	(in millions)			
Adjusted Operating Income	**$ 5,889**	**$ 5,502**	**$ 387**	**7.0 %**
Spin-Off Costs	(365)	–	(365)	(7.1)pp
2012-2014 Restructuring Program	(238)	–	(238)	(4.6)pp
Integration Program	(64)	(352)	288	6.1 pp
Operating income	**$ 5,222**	**$ 5,150**	**$ 72**	**1.4%**

Operating EPS

Using the definition of “Operating EPS” above, the only adjustments made to “Diluted EPS attributable to Mondelēz International” (the most comparable U.S. GAAP financial measure) during the three and nine months ended September 30, 2012 were to exclude Spin-Off Costs, 2012-2014 Restructuring Program costs and Integration Program costs. We believe Operating EPS provides improved comparability of operating results.

	For the Three Months Ended September 30, 2012	For the Three Months Ended September 30, 2011	$ Change	% Change
Operating EPS	**$ 0.64**	**$ 0.58**	**$ 0.06**	**10.3 %**
Spin-Off Costs[1]	(0.25)	–	(0.25)	(48.1)pp
2012-2014 Restructuring Program	(0.03)	–	(0.03)	(5.8)pp
Integration Program	–	(0.06)	0.06	12.8 pp
Diluted EPS attributable to Mondelēz International	**$ 0.36**	**$ 0.52**	**$ (0.16)**	**(30.8)%**

	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011	$ Change	% Change
Operating EPS	**$ 1.88**	**$ 1.72**	**$ 0.16**	**9.3 %**
Spin-Off Costs[1]	(0.36)	–	(0.36)	(23.7)pp
2012-2014 Restructuring Program	(0.08)	–	(0.08)	(5.3)pp
Integration Program	(0.04)	(0.20)	0.16	11.8pp
Diluted EPS attributable to Mondelēz International	**$ 1.40**	**$ 1.52**	**$ (0.12)**	**(7.9)%**

(1) Spin-Off Costs for the three months ended September 30, 2012 include $226 million of pre-tax costs in selling, general and administrative expense and $457 million in interest expense. Spin-Off Costs for the nine months ended September 30, 2012 include $365 million of pre-tax costs in selling, general and administrative expense and $619 million in interest expense.

Forward-Looking Statements

This report contains a number of forward-looking statements. Words such as “expects,” “plans,” “believes,” “continues,” “anticipates,” “intends” and variations of those words and similar expressions are intended to identify our forward-looking statements. The forward-looking statements contained in this report include, but are not limited to statements about: our 2012-2014 Restructuring Program; our Integration Program; pension plan contributions; unrealized losses on hedging activities; the Starbucks arbitration; our Spin-Off Costs; price volatility and cost environment; our liquidity; our funding sources; planned capital expenditures and funding; our financial covenants; our revolving credit facilities; repayment of debts, including funding; our long-term debt covenants; off-balance sheet arrangements and contractual obligations, including effect on liquidity; dividend expectations; our accounting policies; our Outlook, in particular, 2013 Organic Net Revenue and Operating EPS; our risk management program; and the outcome of our legal proceedings. These forward-looking statements involve risks and uncertainties, many of which are beyond our control, and important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, continued volatility and increase in commodity costs, pricing actions, increased competition, the continuing weak economic environment, in particular in certain developing markets and parts of Europe, risks from operating globally 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 and subsequent reports on Forms 10-Q and 8-K. We disclaim and do not undertake any obligation to update or revise any forward-looking statement in this report, except as required by applicable law or regulation.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

As a global operation, we use certain financial instruments to manage our foreign currency exchange rate, commodity price and interest rate risks. We monitor and manage these exposures as part of our overall risk management program. Our risk management program focuses on the unpredictability of financial markets and seeks to reduce the potentially adverse effects that the volatility of these markets may have on our operating results. We maintain foreign currency, commodity price and interest rate risk management policies that principally use derivative instruments to reduce significant, unanticipated earnings fluctuations that may arise from volatility in foreign currency exchange rates, commodity prices and interest rates. We also sell commodity futures to unprice future purchase commitments, and we occasionally use related futures to cross-hedge a commodity exposure. We are not a party to leveraged derivatives and, by policy, do not use financial instruments for speculative purposes. There were no significant changes in the types of derivative instruments we use to hedge our exposures since December 31, 2011. Refer to Note 11, *Financial Instruments*, for further information on our derivative activity during the first nine months of 2012 and the types of derivative instruments we used to hedge our exposures.

Item 4. Controls and Procedures.

a) Evaluation of Disclosure Controls and Procedures

Management, together with our CEO and CFO, evaluated the effectiveness of our disclosure controls and procedures (as defined in Securities Exchange Act of 1934 Rule 13a-15(e)) as of the end of the period covered by this report. Based upon that evaluation, the CEO and CFO concluded that our disclosure controls and procedures were effective as of September 30, 2012.

b) Changes in Internal Control Over Financial Reporting

Management, together with our CEO and CFO, evaluated the changes in our internal control over financial reporting during the quarter ended September 30, 2012. We determined that there were no changes in our internal control over financial reporting during the quarter ended September 30, 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We routinely are involved in legal proceedings, claims and governmental inspections or investigations ("Legal Matters") arising in the ordinary course of our business.

On March 1, 2011, the Starbucks Coffee Company ("Starbucks") took control of the Starbucks packaged coffee business ("Starbucks CPG business") in grocery stores and other channels. Starbucks did so without our authorization and in what we contend is a violation and breach of our license and supply agreement with Starbucks related to the Starbucks CPG business. The dispute is in arbitration in Chicago, Illinois. We are seeking appropriate remedies, including payment of the fair market value of the supply and license agreement, plus the premium this agreement specifies, prejudgment interest under New York law and attorney's fees. Starbucks has counterclaimed for damages. Testimony and post-hearing briefing in the arbitration proceeding are completed, and we await the arbitrator's decision. Kraft Foods Group remains the named party in the proceeding. Under the Separation and Distribution Agreement between Kraft Foods Group and us, Kraft Foods Group will direct any recovery awarded in the arbitration proceeding to us. We will reimburse Kraft Foods Group for any costs and expenses it incurs in connection with the arbitration.

Other information regarding Legal Matters is available in the Legal Proceedings discussions in our Annual Report on Form 10-K for the year ended December 31, 2011, as updated by our Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, and is incorporated by reference into this report.

While we cannot predict with certainty the results of any Legal Matters in which we are currently involved, we do not expect that the ultimate costs to resolve any of these Legal Matters individually and in the aggregate will have a material adverse effect on our financial results.

Item 1A. Risk Factors.

There were no material changes to the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2011, as updated by our Quarterly Report on Form 10-Q for the quarter ended June 30, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following activity represents shares tendered to us by employees who used shares to exercise options, and who used shares to pay the related taxes for grants of restricted and deferred stock that vested. Accordingly, these are non-cash transactions.

	Total Number of Shares	Average Price per Share
July 1-31, 2012	2,992	$ 38.27
August 1-31, 2012	62,205	40.82
September 1-30, 2012	10,483	40.96
For the Quarter Ended September 30, 2012	75,680	40.74

Item 6. Exhibits.

Exhibit Number	Description
2.1	Separation and Distribution Agreement between the Registrant and Kraft Foods Group, Inc., dated as of September 27, 2012 (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the SEC on October 1, 2012).
2.2	Canadian Asset Transfer Agreement between Mondelez Canada Inc. and Kraft Canada Inc., dated as of September 29, 2012.*
2.3	Master Ownership and License Agreement Regarding Patents, Trade Secrets and Related Intellectual Property between Kraft Foods Global Brands LLC, Kraft Foods Group Brands LLC, Kraft Foods UK Ltd. and Kraft Foods R&D Inc., dated as of October 1, 2012.*
2.4	Master Ownership and License Agreement Regarding Trademarks and Related Intellectual Property between Kraft Foods Global Brands LLC and Kraft Foods Group Brands LLC., dated as of September 27, 2012.*
3.1	Amended and Restated Articles of Incorporation of the Registrant, effective October 1, 2012 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on October 1, 2012).
3.2	Amended and Restated By-Laws of the Registrant, effective October 1, 2012 (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on October 1, 2012).
10.1	Mondelēz International Inc. Change in Control Plan for Key Executives, amended as of October 2, 2012.
10.2	Offer of Employment Letter, between the Registrant and Tracey Belcourt, dated July 8, 2012.
10.3	Tax Sharing and Indemnity Agreement by and between the Registrant and Kraft Foods Group, Inc., dated as of September 27, 2012 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on October 1, 2012).
10.4	Employee Matters Agreement between the Registrant and Kraft Foods Group, Inc., dated as of September 27, 2012 (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on October 1, 2012).
11	Computation of Per Share Earnings.**
12	Statement regarding computation of ratios of earnings to fixed charges.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended.
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101.1	The following materials from Mondelēz International's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 are formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Statements of Earnings, (ii) the Condensed Consolidated Statements of Equity, (iii) the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Statements of Cash Flows, (v) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text, and (vi) document and entity information.

* Upon request, Mondelēz International, Inc. agrees to furnish to the U.S. Securities and Exchange Commission, on a supplemental basis, a copy of any omitted schedule or exhibit to such agreement.

** Data required by Item 601(b)(11) of Regulation S-K is provided in Note 14 to the condensed consolidated financial statements in this Report.

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, thereunto duly authorized.

MONDELĒZ INTERNATIONAL, INC.

/s/ David A. Brearton

David A. Brearton
Executive Vice President and
Chief Financial Officer

November 8, 2012

MONDELĒZ INTERNATIONAL, INC.

CHANGE IN CONTROL PLAN FOR KEY EXECUTIVES

ADOPTED: APRIL 24, 2007
AMENDED: OCTOBER 2, 2012

MONDELĒZ INTERNATIONAL, INC.

CHANGE IN CONTROL PLAN FOR KEY EXECUTIVES

1. Definitions

For purposes of the Change in Control Plan for Key Executives, the following terms are defined as set forth below (unless the context clearly indicates otherwise):

Affiliate	Any entity controlled by, controlling or under common control with the Company.
Annual Base Salary	Twelve times the higher of (i) the highest monthly base salary paid or payable to the Participant by the Company and its Affiliates in respect of the twelve-month period immediately preceding the month in which the Change in Control occurs, or (ii) the highest monthly base salary in effect at any time thereafter, in each case including any base salary that has been earned and deferred.
Board	The Board of Directors of the Company.
Annual Incentive Award Target	The annual incentive award that the Participant would receive in a fiscal year under the Management Incentive Plan or any comparable annual incentive plan if the target goals are achieved.
Cause	As defined in Section 3.2(b)(i) of this Plan.
Change in Control	"Change in Control" means the occurrence of any of the following events: (A) Acquisition of 20% or more of the outstanding voting securities of the Company by another entity or group; excluding, however, the following: (1) any acquisition by the Company or any of its Affiliates; (2) any acquisition by an employee benefit plan or related trust sponsored or maintained by the Company or any of its Affiliates; or (3) any acquisition pursuant to a merger or consolidation described in clause (C) of this definition. (B) During any consecutive 24 month period, persons who constitute the Board at the beginning of such period cease to constitute at least 50% of the Board; provided that each new Board member who is approved by a majority of the directors who began such 24 month period shall be deemed to have been a member of the Board at the beginning of such 24 month period; (C) The consummation of a merger or consolidation of the Company with another company, and the Company is not the surviving company; or, if after such transaction, the other entity owns, directly or indirectly, 50% or more of the outstanding voting securities of the Company; excluding, however, a transaction pursuant to which all or substantially all of the individuals or entities who are the beneficial owners of the outstanding

voting securities of the Company immediately prior to such transaction will beneficially own, directly or indirectly, more than 50% of the combined voting power of the outstanding securities entitled to vote generally in the election of directors (or similar persons) of the entity resulting from such transaction (including, without limitation, an entity which as a result of such transaction owns the Company either directly or indirectly) in substantially the same proportions relative to each other as their ownership, immediately prior to such transaction, of the outstanding voting securities of the Company; or

(D) The consummation of a plan of complete liquidation of the Company or the sale or disposition of all or substantially all of the Company's assets, other than a sale or disposition pursuant to which all or substantially all of the individuals or entities who are the beneficial owners of the outstanding voting securities of the Company immediately prior to such transaction will beneficially own, directly or indirectly, more than 50% of the combined voting power of the outstanding securities entitled to vote generally in the election of directors (or similar persons) of the entity purchasing or acquiring the Company's assets in substantially the same proportions relative to each other as their ownership, immediately prior to such transaction, of the outstanding voting securities of the Company.

For the avoidance of doubt, the Company's spin-off of its North American grocery business shall not be considered a Change in Control.

Code The Internal Revenue Code of 1986, as amended from time to time.

Committee The Board's Human Resources and Compensation Committee or a subcommittee thereof, any successor thereto or such other committee or subcommittee as may be designated by the Board to administer the Plan.

Company Mondelēz International, Inc. (formerly, Kraft Foods Inc.), a corporation organized under the laws of the Commonwealth of Virginia, or any successor thereto.

Date of Termination If the Participant's employment is terminated by:

(i) The Employer for Cause or by the Participant for Good Reason, the Date of Termination shall be the date on which the Participant or the Employer, as the case may be, receives the Notice of Termination (as described in Section 3.2(c)) or any later date specified therein, as the case may be.

(ii) The Employer other than for Cause, death or Disability, the Date of Termination shall be the date on which the Employer notifies the Participant of such termination.

(iii) Reason of death or Disability, the Date of Termination shall be the date of death of the Participant or the Disability Effective Date, as the case may be.

Notwithstanding the above, in the event that the Date of Termination as determined above is not the last date on which the Participant is employed by the Employer, the Participant's Date of Termination shall be the last date on which the Participant is employed by the Employer.

Disability	As defined in Section 3.2(b) (ii).
Disability Effective Date	As defined in Section 3.2(b) (ii).
Effective Date	April 24, 2007. The Plan is being amended effective October 2, 2012.
Employer	The Company or any of its Affiliates.
Excise Tax	The excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.
Good Reason	As defined in Section 3.2(a).
Key Executive	An employee who is employed on a regular basis by the Employer and (i) is serving as the Company's Chairman and/or Chief Executive Officer, (ii) is serving in a position that reports directly to the Company's Chairman and/or Chief Executive Officer, (iii) is serving as a Regional President of the Company or (ii) is otherwise designated by the Committee as eligible to participate in this Plan.
Long-Term Incentive Plan Award Target	The long-term award that the Participant would receive during a performance cycle under the Long-Term Incentive Plan or any comparable incentive plan if the target goals specified under the Long-Term Incentive Plan or such comparable incentive plan are achieved.
Net After-Tax Benefit	The present value (as determined in accordance with Sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of a Participant's Payments less any Federal, state, and local income taxes and any Excise Tax payable on such amount.
Non-Competition Agreement	The agreement of a Participant, not to, without the Company's prior written consent, engage in any activity or provide any services, whether as a director, manager, supervisor, employee, adviser, consultant or otherwise, for a period of up to one (1) year following the Participant's Date of Termination, with a company that is substantially competitive with a business conducted by the Company and its Affiliates.
Non-Solicitation Agreement	The agreement of a Participant that he or she will not solicit, directly or indirectly, any employee of the Company or an Affiliate, or a surviving entity following a Change in Control, to leave the Company or an Affiliate and to work for any other entity, whether as an employee, independent contractor or in any other capacity, for a period of up to one (1) year following the Participant's Date of Termination.
Non-U.S. Executive	A Key Executive whose designated home country, for purposes of the Employer's personnel and benefits programs and policies, is other than the United States.

Participant	A Key Executive who meets the eligibility requirements of Section 2.1; provided, however, that any Non-U.S. Executive who, under the laws of his or her designated home country or the legally enforceable programs or policies of the Employer in such designated home country, is entitled to receive, in the event of termination of employment (whether or not by reason of a Change in Control), separation benefits at least equal in aggregate amount to the Separation Pay prescribed under Section 3.3(b), of this Plan shall not be considered a Participant for the purposes of this Plan.
Payment	Any payment or distribution in the nature of compensation (within the meaning of Section 280G (b) (2) of the Code) to or for the benefit of the Participant, whether paid or payable pursuant to this Plan or otherwise.
Plan	The Mondelēz International, Inc. Change in Control Plan for Key Executives, as set forth herein.
Plan Administrator	The third-party accounting, actuarial, consulting or similar firm retained by the Company prior to a Change in Control to administer this Plan following a Change in Control.
Separation Benefits	The amounts and benefits payable or required to be provided in accordance with Section 3.3 of this Plan.
Separation Pay	The amount or amounts payable in accordance with Section 3.3(b) of this Plan.
U.S. Executive	A Participant whose designated home country, for purposes of the Employer’s personnel and benefits programs and policies, is the United States.

2. Eligibility

2.1. <u>Participation</u>. Except as set forth in the definition of Participant above, each employee who is a Key Executive on the Effective Date shall be a Participant in the Plan effective as of the Effective Date and each other employee shall become a Participant in the Plan effective as of the date of the employee’s promotion or hire as a Key Executive.

2.2. <u>Duration of Participation</u>. A Participant shall cease to be a Participant in the Plan if (i) the Participant terminates employment with the Employer under circumstances not entitling him or her to Separation Benefits or (ii) the Participant otherwise ceases to be a Key Executive, provided that no Key Executive may be so removed from Plan participation in connection with or in anticipation of a Change in Control that actually occurs. However, a Participant who is entitled, as a result of ceasing to be a Key Executive of the Employer, to receive benefits under the Plan shall remain a Participant in the Plan until the amounts and benefits payable under the Plan have been paid or provided to the Participant in full.

3. Separation Benefits

3.1. Right to Separation Benefits. A Participant shall be entitled to receive from the Employer the Separation Benefits as provided in Section 3.3, if a Change in Control has occurred and the Participant's employment by the Employer is terminated under circumstances specified in Section 3.2(a), whether the termination is voluntary or involuntary, and if (i) such termination occurs after such Change in Control and on or before the second anniversary thereof, or (ii) such termination is reasonably demonstrated by the Participant to have been initiated by a third party that has taken steps reasonably calculated to effect a Change in Control or otherwise to have arisen in connection with or in anticipation of such Change in Control and such Change in Control occurs within 90 days of the termination. Termination of employment shall have the same meaning as "separation from service" within the meaning of Treasury Regulation § 1.409A-1(h).

3.2. Termination of Employment.

(a) ***Terminations which give rise to Separation Benefits under this Plan.*** The circumstances specified in this Section 3.2(a) are any termination of employment with the Employer by action of the Company or any of its Affiliates or by a Participant for Good Reason, other than as set forth in Section 3.2(b) below. For purposes of this Plan, "Good Reason" shall mean:

(i) the assignment to the Participant of any duties substantially inconsistent with the Participant's position, authority, duties or responsibilities in effect immediately prior to the Change in Control, or any other action by the Company or the Employer that results in a marked diminution in the Participant's position, authority, duties or responsibilities, excluding for this purpose:

a. changes in the Participant's position, authority, duties or responsibilities which are consistent with the Participant's education, experience, etc.;

b. an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Company and/or the Employer promptly after receipt of notice thereof given by the Participant;

(ii) any material reduction in the Participant's base salary, annual incentive or long-term incentive opportunity as in effect immediately prior to the Change in Control;

(iii) the Employer requiring the Participant to be based at any office or location other than any other location which does not extend the Participant's home to work commute as of the time of the Change in Control by more than 50 miles;

(iv) the Employer requiring the Participant to travel on business to a substantially greater extent than required immediately prior to the Change in Control; or

(v) any failure by the Company to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Plan in the same manner and to the same extent that the Company or the Employer would be required to perform it if no such succession had taken place, as required by Article 5.

The Participant must notify the Company of any event purporting to constitute Good Reason within 45 days following the Participant's knowledge of its existence, and the Company or the Employer shall have 20 days in which to correct or remove such Good Reason, or such event shall not constitute Good Reason.

(b) ***Terminations which DO NOT give rise to Separation Benefits under this Plan.*** Notwithstanding Section 3.2(a), if a Participant's employment is terminated for Cause or Disability (as those terms are defined below) or as a result of the Participant's death, or the Participant terminates his or her own employment other than for Good Reason, the Participant shall not be entitled to Separation Benefits under the Plan, regardless of the occurrence of a Change in Control.

(i) A termination for "Cause" shall have occurred where a Participant is terminated because of:

a. Continued failure to substantially perform the Participant's job's duties (other than resulting from incapacity due to disability);

b. Gross negligence, dishonesty, or violation of any reasonable rule or regulation of the Company or the Employer where the violation results in significant damage to the Company or the Employer; or

c. Engaging in other conduct which adversely reflects on the Company or the Employer in any material respect.

(ii) A termination upon Disability shall have occurred where a Participant is absent from the Participant's duties with the Employer on a full-time basis for 180 consecutive days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Participant or the Participant's legal representative. In such event, the Participant's employment with the Employer shall terminate effective on the 30th day after receipt of such notice by the Participant (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Participant shall not have returned to full-time performance of the Participant's duties.

(c) ***Notice of termination.*** Any termination of employment initiated by the Employer for Cause, or by the Participant for Good Reason, shall be communicated by a Notice of Termination to the other party. For purposes of this Plan, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Plan relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provision so indicated, and (iii) specifies the date upon which the Participant's termination of employment is expected to occur (which date shall be not more than 30 days after the giving of such notice), provided, however, that such specified date shall not be considered the Date of Termination for any purpose of this Plan if such date differs from the Participant's actual Date of Termination. The failure by the Participant or the

Employer to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Participant or the Employer, respectively, hereunder or preclude the Participant or the Employer, respectively, from asserting such fact or circumstance in enforcing the Participant's or the Employer's rights hereunder.

3.3. <u>Separation Benefits.</u> If a Participant's employment is terminated under the circumstances set forth in Section 3.2(a) entitling the Participant to Separation Benefits, and if the Participant signs a Non-Competition Agreement and a Non-Solicitation Agreement, the Company shall pay or provide, as the case may be, to the Participant the amounts and benefits set forth in items (a) through (e) below (the "Separation Benefits"):

(a) The Employer shall pay to the Participant, in a lump sum in cash within 30 days after the Date of Termination (or, if later, 30 days after the date of the Change in Control), or on such later date as required under Section 3.3(g), the sum of (A) the Participant's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (B) the product of (x) the Participant's Annual Incentive Award Target and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination and the denominator of which is 365, (C) the product of (x) the Participant's Long-Term Incentive Award Target and (y) a fraction, the numerator of which is the number of days completed in the applicable performance cycle through the Date of Termination and the denominator of which is the total number of days in the performance cycle, and (D) any accrued vacation pay, in each case to the extent not theretofore paid. The sum of the amounts described in sub clauses (A), (B), (C) and (D), shall be referred to as the "Accrued Obligations", and, in the case of the amounts described in sub clauses (B) and (C), shall be reduced by any amount paid or payable under the Kraft Foods Inc. Amended and Restated 2005 Performance Incentive Plan on account of the same fiscal year or performance cycle, as applicable.

(b) The Employer also shall pay to the Participant, in a lump sum in cash within 30 days after the Date of Termination (or, if later, 30 days after the date of the Change in Control), or on such later date as required under Section 3.3(g), an amount ("Separation Pay") equal to the product of (A) two (or in the case of a Participant who served as Chairman and/or Chief Executive Officer immediately prior to the Change in Control, three) and (B) the sum of (x) the Participant's Annual Base Salary and (y) the Participant's Annual Incentive Award Target, reduced (but not below zero) in the case of any Participant who is a Non-U.S. Executive by the U.S. dollar equivalent (determined as of the Participant's Date of Termination) of any payments made to the Participant under the laws of his or her designated home country or any program or policy of the Employer in such country on account of the Participant's termination of employment.

(c) Solely with respect to U.S. Participants, for two years after the Participant's Date of Termination (or, if later, the date of the Change in Control), (or in the case of a Participant who served as Chairman and/or Chief Executive Officer immediately prior to the Change in Control, three years), or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the

Employer shall continue welfare benefits to the Participant and/or the Participant's family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies (including, without limitation, medical, prescription, dental, disability, employee/spouse/child life insurance, executive life, estate preservation (second-to-die life insurance) and travel accident insurance plans and programs), as if the Participant's employment had not been terminated, or, if more favorable to the Participant, as in effect generally at any time thereafter with respect to other peer executives of the Company and its Affiliates and their families; provided, however, that if the Participant becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer-provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. The period of continuation of any group medical plan coverage under Section 4980B of the Code (the "COBRA Period") shall run concurrently during the period for which medical coverage is provided to the Participant pursuant to this Section 3.3(c). The provision of medical coverage made during the COBRA Period is intended to qualify for the exception to deferred compensation as a medical benefit provided in accordance with the provisions of Section 409A of the Code and Treasury Regulation §1.409A-1(b)(9)(v)(B). Any reimbursements required to be made to a Participant under any arrangement pursuant to this Section 3.3(c) that is not described in the preceding sentence or is not excepted from Section 409A of the Code under Treasury Regulation § 1.409A-1(a)(5) shall be made to the Participant no later than the end of the Participant's second taxable year following the expense being reimbursed was incurred. The maximum amount of any such welfare benefits provided to a Participant under this provision in any calendar year shall not be increased or decreased to reflect the amount of such welfare benefits provided to such Participant under this provision in a prior or subsequent calendar year. For purposes of determining the Participant's eligibility for retiree benefits pursuant to such welfare plans, practices, programs and policies, the Participant shall be considered to have remained employed until two years (or in the case of a Participant who served as Chairman and/or Chief Executive Officer immediately prior to the Change in Control, three years) after the Date of Termination; provided, however, that the Participant's commencement of such retiree benefits shall not be any sooner than the date on which the Participant attains 55 years of age and provided, further, that the Participant's costs under any such retiree benefits plans, practices, programs or policies shall be based upon actual service with the Company and its Affiliates.

(d) The Employer shall, at its sole expense, provide the Participant with outplacement services through the provider of the Company's choice, the scope of which shall be chosen by the Participant in his or her sole discretion within the terms and conditions of the Company's outplacement services policy as in effect immediately prior to the Change in Control, but in no event shall such outplacement services continue for more than two years after the calendar year in which the Participant terminates employment.

(e) The Employer shall, for two years after the Participant's Date of Termination (or in the case of a Participant who served as Chairman and/or Chief Executive Officer immediately prior to the Change in Control, three years), or after the Change in Control, if later, or such longer period as may be provided by the terms of the appropriate perquisite, continue the perquisites at least equal to those which would have been provided to them in accordance with the perquisites in effect immediately prior to the Change in Control; provided, however, that the maximum value of perquisites provided to a Participant under this provision in any calendar year shall not be increased or decreased to reflect the value of perquisites provided to such Participant under this provision in a prior or subsequent calendar year. Any reimbursements to a Participant for costs associated with such continued perquisites shall be made no later than the end of the Participant's second taxable year following the date the Participant incurred such cost. This clause does not apply to personal use of the Company aircraft to the extent that this perquisite is in effect for any Key Executive immediately prior to the Change in Control.

(f) To the extent not theretofore paid or provided, the Employer shall pay or provide to the Participant, at the time otherwise payable, any other amounts or benefits required to be paid or provided or that the Participant is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its Affiliates.

(g) Notwithstanding the foregoing, if the Participant is a "specified employee" within the meaning of Section 409A of the Code, then (i) any payments described in Sections 3.3(a) and (b) which the Company determines constitute the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, shall be delayed and become payable within five days after the six-month anniversary of the Participant's termination of employment and (ii) any benefits provided under Sections 3.3(c) and (e) which the Company determines constitute the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, shall be provided at the Participant's sole cost during the six-month period after the date of the Participant's termination of employment, and within five days after the expiration of such period the Company shall reimburse the Participant for the portion of such costs payable by the Company pursuant to Sections 3.3(c) and (e) hereof.

(h) For all purposes under the applicable Company non-qualified defined benefit pension plan, the Company shall credit the Participant with two (or in the case of a Participant who served as Chairman and/or Chief Executive Officer immediately prior to the Change in Control, three) additional years of service and shall add two (or in the case of a Participant who served as Chairman and/or Chief Executive Officer immediately prior to the Change in Control, three) years to the Participant's age.

3.4. Certain Additional Payments by the Employer On or Before December 31, 2012.

(a) Anything in this Plan to the contrary notwithstanding, with respect to any Participant who is a citizen or resident of the United States, in the event (1) a Change in Control occurs on or before December 31, 2012 and (2) in connection with such Change in Control it shall be determined that any Payment would be subject to the Excise Tax, then:

(i) To the extent that such Participant commenced participation in this Plan on or before December 31, 2009, the Participant shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Participant of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Participant retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing provisions of this Section 3.4(a), if it shall be determined that any Participant, other than a Participant who served as Chairman and/or Chief Executive Officer of the Company immediately prior to the Change in Control, is entitled to a Gross-Up Payment, but that the Participant, after taking into account the Payments and the Gross-Up Payment, would not receive a Net After-Tax Benefit which is at least ten percent (10%) greater than the net after-tax proceeds to the Participant resulting from an elimination of the Gross-Up Payment and a reduction of the Payments, in the aggregate, to an amount (the "Reduced Amount") that is one dollar less than the smallest amount that would give rise to any Excise Tax, then no Gross-Up Payment shall be made to the Participant, and the Payments to the Participant, in the aggregate, shall be reduced to the Reduced Amount in the manner described below.

(ii) To the extent that such Participant commenced participation in this Plan on or after January 1, 2010, no Gross-Up Payment shall be made to the Participant, and the Payments to the Participant, in the aggregate, shall be the greater of:

a. The Net After-Tax Benefit, or

b. The Reduced Amount.

Except as provided in Section 3.4(b) below with regard to Payments made to a Participant who is subject to Section 3.4(a)(i), the Company and its Affiliates shall bear no responsibility for any Excise Tax payable on any Reduced Amount pursuant to a subsequent claim by the Internal Revenue Service or otherwise. For purposes of determining the Reduced Amount under this Section 3.4(a), amounts otherwise payable to the Participant under the Plan shall be reduced, to the extent necessary, in the following order: first, Separation Pay under Section 3.3(b), then Accrued Obligations payable under Section 3.3(a), other than Annual Base Salary through the Date of Termination, followed by outplacement services payable under Section 3.3(d), welfare benefits payable under Section 3.3(c), and, finally, perquisites payable under Section 3.3(e). In the event that such reductions are not sufficient to reduce the aggregate Payments to the Participant to the Reduced Amount, then Payments due the Participant under any other plan shall be reduced in the order determined by the Plan Administrator in its sole discretion.

(b) Subject to the provisions of Section 3.4(c), all determinations required to be made under this Section 3.4, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment, or whether a Reduced Amount or a Net After-Tax Benefit is payable, and the assumptions to be utilized in arriving at such determinations, shall be made by the Company's independent auditors or such other nationally recognized certified public accounting firm as may be designated by the Company and approved by the Participant (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Participant within 15 business days of the receipt of notice from the Participant that there has been a Payment, or such earlier time as is requested by the Company. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Subject to Section 3.4(e) below, any Gross-Up Payment, as determined pursuant to this Section 3.4(b), shall be paid by the Employer to the Participant within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company, its Affiliates and the Participant. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Employer should have been made pursuant to Section 3.4(a)(i) (an "Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 3.4(c) and the Participant thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Participant. Reimbursements and payments made with regard to any Underpayment shall be made no later than December 31 of the year next following the year in which the related Excise Taxes are remitted.

(c) This Section 3.4(c) shall apply solely to Participants who commence participation in the Plan on or before December 31, 2009. The Participant shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Participant is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Participant shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Participant in writing prior to the expiration of such period that it desires to contest such claim, the Participant shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company or its Affiliates shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company and its Affiliates in good faith in order effectively to contest such claim, and

(iv) permit the Company and its Affiliates to participate in any proceedings relating to such claim;

PROVIDED, HOWEVER, that (A) the Company or its Affiliates shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Participant harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 3.4(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Participant to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Participant agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; (B) that if the Company directs the Participant to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Participant, on an interest-free basis and shall indemnify and hold the Participant harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Participant with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company’s control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Participant shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Participant of an amount advanced by the Employer pursuant to Section 3.4(c), the Participant becomes entitled to receive any refund with respect to such claim, the Participant shall (subject to compliance with the requirements of Section 3.4(c) by the Company and its Affiliates) promptly pay to the Employer the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Participant of an amount advanced by the Employer pursuant to Section 3.4(c), a determination is made that the Participant shall not be entitled to any refund with respect to such claim and the Company does not notify the Participant in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) Notwithstanding any other provision of this Section 3.4, the Employer may withhold and pay over to the Internal Revenue Service for the benefit of the Participant all or any portion of the Gross-Up Payment that it determines in good faith that it is or may be in the future required to withhold, and the Participant hereby consents to such withholding.

3.5. Certain Additional Payments by the Employer On or After January 1, 2013.

(a) Anything in this Plan to the contrary notwithstanding, with respect to any Participant who is a citizen or resident of the United States, in the event (1) a Change in Control occurs on or after January 1, 2013 and (2) in connection with such Change in Control it shall be determined that any Payment would be subject to the Excise Tax, then the Payments to the Participant, in the aggregate, shall be the greater of:

(i) The Net After-Tax Benefit, or

(ii) An amount (the “Reduced Amount”) that is one dollar less than the smallest amount that would give rise to any Excise Tax.

The Company and its Affiliates shall bear no responsibility for any Excise Tax payable on any Reduced Amount pursuant to a subsequent claim by the Internal Revenue Service or otherwise. For purposes of determining the Reduced Amount under this Section 3.5(a), amounts otherwise payable to the Participant under the Plan shall be reduced, to the extent necessary, in the following order: first, Separation Pay under Section 3.3(b), then Accrued Obligations payable under Section 3.3(a), other than Annual Base Salary through the Date of Termination, followed by outplacement services payable under Section 3.3(d), welfare benefits payable under Section 3.3(c), and, finally, perquisites payable under Section 3.3(e). In the event that such reductions are not sufficient to reduce the aggregate Payments to the Participant to the Reduced Amount, then Payments due the Participant under any other plan shall be reduced in the order determined by the Plan Administrator in its sole discretion.

(b) All determinations required to be made under this Section 3.5, including whether a Reduced Amount or a Net After-Tax Benefit is payable, and the assumptions to be utilized in arriving at such determinations, shall be made by the Company’s independent auditors or such other nationally recognized certified public accounting firm as may be designated by the Company and approved by the Participant (the “Accounting Firm”), which shall provide detailed supporting calculations both to the Company and the Participant within 15 business days of the receipt of notice from the Participant that there has been a Payment, or such earlier time as is requested by the Company. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company, its Affiliates and the Participant.

(c) For the avoidance of doubt, Section 3.4 shall not apply to any Participants with respect to any Change in Control that occurs on or after January 1, 2013 and no Participant shall be entitled to a Gross-Up Payment hereunder with respect to any Change in Control that occurs on or after January 1, 2013.

3.6. Payment Obligations Absolute. Upon a Change in Control and termination of employment under the circumstances described in Section 3.2(a), the obligations of the Company and its Affiliates to pay or provide the Separation Benefits described in Section 3.3 shall be absolute and unconditional and shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company or any of the Affiliates may have against any Participant. In no event shall a Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to a Participant under any of the provisions of this Plan, nor shall the amount of any payment or value of any benefits hereunder be reduced by any compensation or benefits earned by a Participant as a result of employment by another employer, except as specifically provided under Section 3.3.

3.7. Non-Competition and Non-Solicitation. Upon a Change in Control and termination of employment under the circumstances described in Section 3.2(a), the obligations of the Company and its Affiliates to pay or provide the Separation Benefits described in Section 3.3 are contingent on the Participant's adhering to the Non-Competition Agreement and the Non-Solicitation Agreement. Should the Participant violate the Non-Competition Agreement or Non-Solicitation Agreement, the Participant will be obligated to pay back to the Employer all payments received pursuant to this Plan and the Employer will have no further obligation to pay the Participant any payments that may be remaining due under this Plan.

3.8. Non-Disparagement. Upon a Change in Control and termination of employment under the circumstances described in Section 3.2(a), the obligations of the Company and its Affiliates to pay or provide the Separation Benefits described in Section 3.3 are contingent on the Participant's adhering to certain non-disparagement provisions. The Participant agrees that, in discussing their relationship with the Employer, such Participant will not disparage, discredit or otherwise treat in a detrimental manner the Employer, its affiliated and parent companies or their officers, directors and employees. The Employer agrees that, in discussing its relationship with the Participant, it will not disparage or discredit such Participant or otherwise treat such Participant in a detrimental way.

3.9 General Release of Claims. Upon a Change in Control and termination of employment under the circumstances described in Section 3.2(a), the obligations of the Company and its Affiliates to pay or provide the Separation Benefits described in Section 3.3 are contingent on the Participant's (for him/herself, his/her heirs, legal representatives and assigns) agreement to execute a general release in the form and substance to be provided by Employer, releasing the Employer, its affiliated companies and their officers, directors, agents and employees from any claims or causes of action of any kind that the

Participant might have against any one or more of them as of the date of this Release, regarding his/her employment or the termination of that employment. The Participant understands that this Release applies to all claims (s)he might have under any federal, state or local statute or ordinance, or the common law, for employment discrimination, wrongful discharge, breach of contract, violations of Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Employee Retirement Income Security Act, the Americans With Disabilities Act, or the Family and Medical Leave Act, and all other claims related in any way to Participant's employment or the termination of that employment.

3.10. Non-Exclusivity of Rights. Nothing in this Plan shall prevent or limit the Participant's continuing or future participation in any plan, program, policy or practice provided by the Company or any of the Affiliates and for which the Participant may qualify, nor, subject to Section 6.2, shall anything herein limit or otherwise affect such rights as the Participant may have under any contract or agreement with the Company or any of the Affiliates. Amounts or benefits which the Participant is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of the Affiliates shall be payable in accordance with such plan, policy, practice or program or contract or agreement, except as explicitly modified by this Plan.

4. Successor to Company

This Plan shall bind any successor of the Company, its assets or its businesses (whether direct or indirect, by purchase, merger, consolidation or otherwise), in the same manner and to the same extent that the Company or its Affiliates would be obligated under this Plan if no succession had taken place.

In the case of any transaction in which a successor would not by the foregoing provision or by operation of law be bound by this Plan, the Company shall require such successor expressly and unconditionally to assume and agree to perform the Company's or its Affiliates' obligations under this Plan, in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. The term "Company," as used in this Plan, shall mean the Company as hereinbefore defined and any successor or assignee to the business or assets which by reason hereof becomes bound by this Plan.

5. Duration, Amendment and Termination

5.1. Duration. This Plan shall remain in effect until terminated as provided in Section 5.2. Notwithstanding the foregoing, if a Change in Control occurs, this Plan shall continue in full force and effect and shall not terminate or expire until after all Participants who become entitled to any payments or benefits hereunder shall have received such payments or benefits in full.

5.2. Amendment and Termination. The Plan may be terminated or amended in any respect by resolution adopted by the Committee unless a Change in Control has previously occurred. However, after the Board has knowledge of a possible transaction or event that if consummated would constitute a Change in Control, this Plan may not be terminated or amended in any manner which would adversely affect the rights or potential rights of Participants, unless and until the Board has determined that all transactions or events that, if consummated, would constitute a Change in Control have been abandoned and will not be consummated, and, provided that, the Board does not have knowledge of other transactions or events that, if consummated, would constitute a Change in Control. If a Change in Control occurs, the Plan shall no longer be subject to amendment, change, substitution, deletion, revocation or termination in any respect that adversely affects the rights of Participants, and no Participant shall be removed from Plan participation.

6. Miscellaneous

6.1. Legal Fees. The Company agrees to pay, to the full extent permitted by law, all legal fees and expenses which the Participant may reasonably incur as a result of any contest by the Company or the Affiliates, the Participant or others of the validity or enforceability of, or liability under, any provision of this Plan or any guarantee of performance thereof (including as a result of any contest by the Participant about the amount of any payment pursuant to this Plan), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Section 7872(f)(2)(A) of the Code; provided that the Company shall have no obligation under this Section 6.1 to the extent the resolution of any such contest includes a finding denying, in total, the Participant’s claims in such contest.

6.2. Employment Status. This Plan does not constitute a contract of employment or impose on the Participant, the Company or the Participant’s Employer any obligation to retain the Participant as an employee, to change the status of the Participant’s employment as an “at will” employee, or to change the Company’s or the Affiliates’ policies regarding termination of employment.

6.3. Tax Withholding. The Employer may withhold from any amounts payable under this Plan such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

6.4. Validity and Severability. The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan, which shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

6.5. Governing Law. The validity, interpretation, construction and performance of the Plan shall in all respects be governed by the laws of the Commonwealth of Virginia, without reference to principles of conflict of law.

6.6. Section 409A of the Code. The Plan shall be interpreted, construed and operated to reflect the intent of the Company that all aspects of the Plan shall be interpreted either to be exempt from the provisions of Section 409A of the Code or, to the extent subject to

Section 409A of the Code, comply with Section 409A of the Code and any regulations and other guidance thereunder. Notwithstanding anything to the contrary in Section 5.2, this Plan may be amended at any time, without the consent of any Participant, to avoid the application of Section 409A of the Code in a particular circumstance or to the extent determined necessary or desirable to satisfy any of the requirements under Section 409A of the Code, but the Employer shall not be under any obligation to make any such amendment. Nothing in the Plan shall provide a basis for any person to take action against the Employer based on matters covered by Section 409A of the Code, including the tax treatment of any award made under the Plan, and the Employer shall not under any circumstances have any liability to any Participant or other person for any taxes, penalties or interest due on amounts paid or payable under the Plan, including taxes, penalties or interest imposed under Section 409A of the Code.

6.7 Claim Procedure. If a Participant makes a written request alleging a right to receive Separation Benefits under the Plan or alleging a right to receive an adjustment in benefits being paid under the Plan, the Company shall treat it as a claim for benefits. All claims for Separation Benefits under the Plan shall be sent to the General Counsel of the Company and must be received within 30 days after the Date of Termination. If the Company determines that any individual who has claimed a right to receive Separation Benefits under the Plan is not entitled to receive all or a part of the benefits claimed, it will inform the claimant in writing of its determination and the reasons therefore in terms calculated to be understood by the claimant. The notice will be sent within 90 days of the written request, unless the Company determines additional time, not exceeding 90 days, is needed and provides the Participant with notice, during the initial 90-day period, of the circumstances requiring the extension of time and the length of the extension. The notice shall make specific reference to the pertinent Plan provisions on which the denial is based, and describe any additional material or information that is necessary. Such notice shall, in addition, inform the claimant what procedure the claimant should follow to take advantage of the review procedures set forth below in the event the claimant desires to contest the denial of the claim. The claimant may within 90 days thereafter submit in writing to the Plan Administrator a notice that the claimant contests the denial of his or her claim by the Company and desires a further review. The Plan Administrator shall within 60 days thereafter review the claim and authorize the claimant to appear personally and review the pertinent documents and submit issues and comments relating to the claim to the persons responsible for making the determination on behalf of the Plan Administrator. The Plan Administrator will render its final decision with specific reasons therefor in writing and will transmit it to the claimant within 60 days of the written request for review, unless the Plan Administrator determines additional time, not exceeding 60 days, is needed, and so notifies the Participant during the initial 60-day period. If the Plan Administrator fails to respond to a claim filed in accordance with the foregoing within 60 days or any such extended period, the Plan Administrator shall be deemed to have denied the claim. The Committee may revise the foregoing procedures as it determines necessary to comply with changes in the applicable U.S. Department of Labor regulations.

6.8. Unfunded Plan Status. This Plan is intended to be an unfunded plan and to qualify as a severance pay plan within the meaning of Labor Department Regulations Section 2510.3-2(b). All payments pursuant to the Plan shall be made from the general funds of the Employer and no special or separate fund shall be established or other segregation of assets made to assure payment. No Participant or other person shall have under any circumstances any interest in any particular property or assets of the Company or its Affiliates as a result of participating in the Plan. Notwithstanding the foregoing, the Committee may authorize the creation of trusts or other arrangements to assist in accumulating funds to meet the obligations created under the Plan; provided, however, that, unless the Committee otherwise determines, the existence of such trusts or other arrangements is consistent with the “unfunded” status of the Plan.

6.9. <u>Reliance on Adoption of Plan</u>. Subject to Section 5.2, each person who shall become a Key Executive shall be deemed to have served and continue to serve in such capacity in reliance upon the Change in Control provisions contained in this Plan.

6.10. <u>Plan Supersedes prior U.S. Arrangements with one Exception</u>. For the period of two years following the occurrence of a Change in Control, the provisions of this Program shall supersede, with respect to U.S. Participants, any and all plans, programs, policies and arrangements of the Company or its Affiliates providing severance benefits, EXCEPT FOR the Amended and Restated 2005 Performance Incentive Plan.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed by its duly authorized officer effective as of the Effective Date set forth above.

MONDELĒZ INTERNATIONAL, INC.

By: /s/ Karen May
Karen May
Executive Vice President, Global Human Resources

PERSONAL AND CONFIDENTIAL

July 8, 2012

Ms. Tracey Belcourt

Dear Tracey,

I am very pleased to provide you with this letter confirming the verbal offer that has been extended to you for the position of Executive Vice President Strategy Designate, Mondelēz International, Inc. until the anticipated Spin-off of Kraft Foods Group, Inc. (a wholly-owned direct subsidiary of Kraft Foods Inc.), planned for the second half of 2012. Following the Spin-off, you will hold the position of Executive Vice President Strategy, Mondelēz. Both positions will report to Irene Rosenfeld and be located in Illinois, USA. It is our desire that you join Kraft as soon as possible which we anticipate will be around September 1, 2012. This letter sets forth all of the terms and conditions of the offer.

Listed below are details of your compensation and benefits that will apply to this offer.

Annualized Compensation (Range of Opportunity)

	Target – Maximum
Annual Base Salary	$500,000
Annual Incentive Plan (Target* – 60%)	$300,000 - $750,000
Long-Term Incentives**	$775,000 - $1,375,000
• Performance Shares (Target*—85%)	$425,000 - $850,000
• Restricted Stock/Stock Options Award Range	$350,000 - $525,000
Total Annual Compensation	$1,575,000 - $2,625,000

* Target as a percent of base salary.

** The value of the long-term incentive awards reflects the “economic value” of equity awards. For performance and restricted shares, the value reflects grant value. For stock option value, the value approximates the Company’s Black-Scholes value.

<u>Annual Incentive Plan</u>

You will be eligible to participate in the Kraft Management Incentive Plan (MIP), which is the Company's annual incentive program. Your target award opportunity under the MIP is equal to 60% of your base salary. The actual amount you will receive may be lower or higher depending on your individual performance and the performance of Kraft Foods Inc. prior to the Spin-off and Mondelēz, Inc. after the Spin-off. Your 2012 award will be payable in March 2013. Your MIP eligibility will begin on your date of employment and your 2012 award will be no less than target for the period of time that you participate in the Plan.

<u>Long-Term Incentives</u>

Performance Shares

Your eligibility for the Kraft performance share program (referred to as Kraft Foods' Long-Term Incentive Plan or LTIP) will commence with the 2013 – 2015 performance cycle. Your target opportunity under the LTIP is equal to 85% of your base salary at the beginning of the performance cycle. The actual award you will receive may be lower or higher depending upon the performance of Kraft Foods Inc. (and Mondelēz, Inc. after the Spin-off) during the performance cycle. The number of performance shares under the 2013 – 2015 performance cycle is equal to your target value divided by the fair market value of Kraft stock on the first business day of the performance cycle.

The 2013 – 2015 performance shares will vest in early 2016. It is anticipated that a new three year performance cycle will begin each year in January.

Equity Program – Restricted Stock and Stock Options

You will also be eligible to participate in the Company's restricted stock and stock option award program. Stock awards are typically made on an annual basis, with the next award anticipated to be granted in the first quarter of 2013. Awards are delivered as follows: 50% of equity value is delivered in restricted stock and 50% in stock options. Actual award size is based on individual potential and performance. You will receive dividends on the restricted shares during the vesting period consistent in amount and timing with that of Common Stock shareholders.

The number of stock options granted is typically communicated as a ratio relative to the number of restricted shares granted based on the "economic value" of the stock options. In 2012, Kraft Foods granted 6 stock options for every restricted share awarded. This ratio may change from year to year.

Sign-On Incentives

As part of your employment offer, as an incentive to join Kraft, upon hire, you will receive one-time sign-on incentives in the form of cash and stock as follows:

Equity Sign-On Incentive:	$600,000 restricted stock grant which will vest 100% after three years.
Cash Sign-On Incentive:	$550,000 paid at hire; you will have a two-year repayment agreement.

The actual number of shares that you will receive will be determined based upon the fair market value of Kraft Foods Inc. Common Stock on your date of hire. You will be paid cash dividends on the restricted shares during the vesting period consistent in amount and timing with that of Common Stock shareholders. The number of stock options will be determined based upon the fair market value of Kraft Foods Inc. Common Stock on your date of hire multiplied by six (representing the economic value of Kraft Foods stock options).

Following the anticipated Spin-Off of the North American grocery business, your equity awards will be adjusted to only be denominated in Mondelēz equity. The number of shares and/or grant price (in regards to the stock options) will be adjusted to maintain the intrinsic value held immediately prior to the Spin-Off.

If, prior to the end of the two-year repayment period, your employment with the Company ends due to involuntary termination for reasons other than cause, you will not be required to repay the cash sign-on amount.

Similarly, if prior to full vesting of the sign-on restricted shares granted per this offer letter, your employment with the Company ends due to involuntary termination for reasons other than cause, the value of the total number of unvested shares shall vest on the scheduled vesting dates.

For purposes of this offer letter, “cause” means: 1) continued failure to substantially perform the job’s duties (other than resulting from incapacity due to disability); 2) gross negligence, dishonesty, or violation of any reasonable rule or regulation of the Company where the violation results in significant damage to the Company; or 3) engaging in other conduct which materially adversely reflects on the Company.

The other terms and conditions set forth in Kraft’s standard Stock Award Agreement will apply.

Perquisites

You will be eligible for a company car allowance equal to $15,000 per year under the executive perquisite policy. You will also be eligible for an annual financial counseling allowance of $7,500. You may use any firm of your choosing and submit payments directly to the Company.

Deferred Compensation Program

Subject to our internal immigration review, we anticipate that you will be eligible to participate in the Executive Deferred Compensation Program. This program allows you to voluntarily defer a portion of your salary and/or your annual incentive to a future date. Investment opportunities under this program are designed to mirror the Company’s 401(k) plan. Additional information for this program can be made available upon request.

Stock Ownership Guidelines

You will be required to attain and hold Company stock equal in value to four times your base salary. You will have five years from your date of employment to achieve this level of ownership. Stock held for ownership determination includes common stock held directly or indirectly, unvested restricted stock or share equivalents held in the Company's 401(k) plan. It does not include stock options or unvested performance shares.

Other Benefits

Subject to our internal immigration review and to assist in your relocation from Toronto, Canada to Illinois, we offer relocation assistance consistent with the benefits afforded other Permanently Transferred employees. Some of the major elements of that program are listed below as follow:

- Relocation allowance grossed up for taxes;
- Shipment of goods;
- Home finding assistance;
- Temporary living assistance; and
- Tax preparation assistance.

Your offer includes Kraft's comprehensive benefits package available to full-time salaried employees. This benefits package is described in the enclosed Kraft Benefits Summary brochure. You will be eligible for 30 days of Paid Time Off (PTO).

Subject to our internal immigration review, we intend to hire you as a U.S. employee of Kraft Foods and your employment status will be governed by and shall be construed in accordance with the laws of the United States. As such, your status will be that of an "at will" employee. This means that either you or Kraft is free to terminate the employment relationship at any time, for any reason.

If your employment with the Company ends due to an involuntary termination other than for cause, you will receive severance arrangements no less favorable than those accorded recently terminated senior executives of the Company. The amount of any severance pay under such arrangements shall be paid in equal installments at the regularly scheduled dates for payment of salary to Kraft executives and beginning within 30 days of your termination.

Section 409A of the Internal Revenue Code of 1986, as amended (the "Code")

If you are subject to US tax law and if you are a "specified employee" (within the meaning of Code section 409A) as of your separation from service (within the meaning of Code section 409A): (a) payment of any amounts under this letter (or under any severance arrangement pursuant to this letter) which the Company determines constitute the payment of nonqualified deferred compensation (within the meaning of Code section 409A) and which would otherwise be paid upon your separation from service shall not be paid before the date that is six months after the date of your separation from service and any amounts that cannot be paid by reason of this limitation shall be accumulated and paid on the first day of the seventh month following the date of your separation from service (within the meaning of Code section 409A); and (b) any welfare or other benefits (including under a severance arrangement) which the Company determines constitute the payment of nonqualified deferred compensation (within the meaning of Code section 409A) and which would otherwise be provided upon your separation from service shall be provided at your sole cost during the first six-month period after your separation from service and, on the first day of the seventh month following your separation from service, the Company shall reimburse you for the portion of such costs that would have been payable by the Company for that period if you were not a specified employee.

Payment of any reimbursement amounts and the provision of benefits by the Company pursuant to this letter (including any reimbursements or benefits to be provided pursuant to a severance arrangement) which the Company determines constitute nonqualified deferred compensation (within the meaning of Code section 409A) shall be subject to the following:

(a) the amount of the expenses eligible for reimbursement or the in-kind benefits provided during any calendar year shall not affect the amount of the expenses eligible for reimbursement or the in-kind benefits to be provided in any other calendar year;

(b) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred; and

(c) your right to reimbursement or in-kind benefits is not subject to liquidation or exchange for any other benefit.

This offer is contingent upon successful completion of our pre-employment checks, which may include a background screen, reference check, and post-offer drug test pursuant to testing procedures determined by Kraft Foods.

If you have any questions, I can be reached at the office at (XXX) XXX-XXXX.

Sincerely,

/s/ Karen J. May

Karen J. May
Executive Vice President Human Resources
Kraft Foods Inc.

I accept the offer as expressed above.

/s/ Tracey Belcourt	7/10/2012
Signature	Date

Enclosure: Kraft Foods Benefits Summary
Management Incentive Plan Brochure
Long-Term Incentive Plan Brochure
Equity Brochure

EXHIBIT 12

Mondelēz International, Inc. and Subsidiaries
Computation of Ratios of Earnings to Fixed Charges
(in millions of dollars, except ratio)

	For the Three Months Ended September 30, 2012	For the Nine Months Ended September 30, 2012
Earnings before income taxes	$ 788	$ 3,376
Add / (Deduct):		
Equity in net earnings of less than 50% owned affiliates	(26)	(76)
Dividends from less than 50% owned affiliates	6	61
Fixed charges	912	1,984
Interest capitalized, net of amortization	—	—
Earnings available for fixed charges	$ 1,680	$ 5,345
Fixed charges:		
Interest incurred:		
Interest expense	$ 882	$ 1,895
Capitalized interest	1	2
	883	1,897
Portion of rent expense deemed to represent interest factor	29	87
Fixed charges	$ 912	$ 1,984
Ratio of earnings to fixed charges	1.8	2.7

EXHIBIT 31.1

Certifications

I, Irene B. Rosenfeld, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mondelēz International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2012

/s/ Irene B. Rosenfeld
Irene B. Rosenfeld
Chairman and Chief Executive Officer

EXHIBIT 31.2

Certifications

I, David A. Brearton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mondelēz International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2012

/s/ David A. Brearton
David A. Brearton
Executive Vice President and
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATIONS OF
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Irene B. Rosenfeld, Chairman and Chief Executive Officer of Mondelēz International, Inc. (“Mondelēz International”), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that Mondelēz International’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in Mondelēz International’s Quarterly Report on Form 10-Q fairly presents in all material respects Mondelēz International’s financial condition and results of operations.

/s/ Irene B. Rosenfeld
Irene B. Rosenfeld
Chairman and Chief Executive Officer
November 8, 2012

I, David A. Brearton, Executive Vice President and Chief Financial Officer of Mondelēz International, Inc. (“Mondelēz International”), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that Mondelēz International’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in Mondelēz International’s Quarterly Report on Form 10-Q fairly presents in all material respects Mondelēz International’s financial condition and results of operations.

/s/ David A. Brearton
David A. Brearton
Executive Vice President and
Chief Financial Officer
November 8, 2012

A signed original of these written statements required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Mondelēz International, Inc. and will be retained by Mondelēz International, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.