

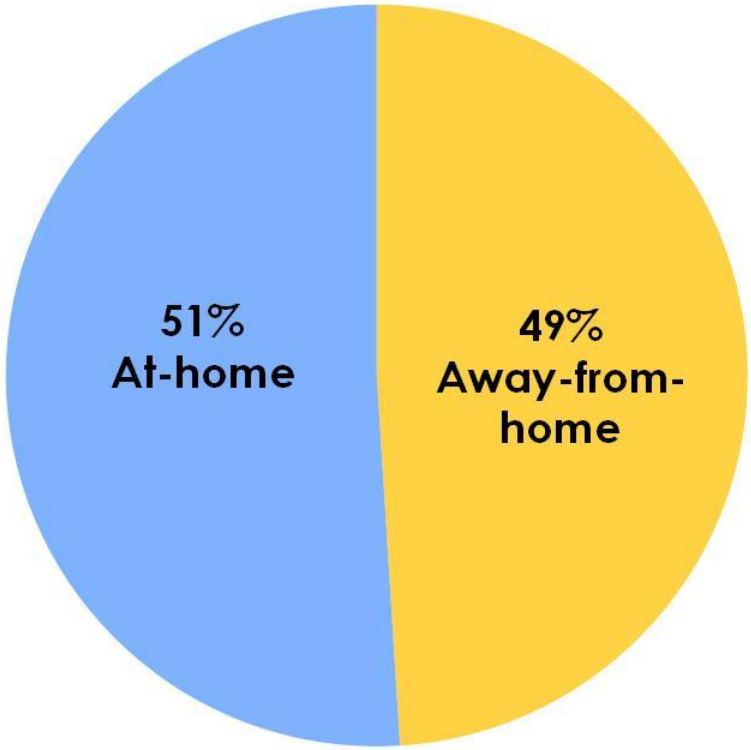
# *Bethany Quam*

*Vice President;*
*President, Convenience Stores and Foodservice*

# A Large Market Opportunity

**U.S. Food and Beverage Expenditures**

(Calendar 2015 Estimate)




$1.4 Trillion

Source: Technomic June 2015

# *Focused on Serving Solutions Everywhere*



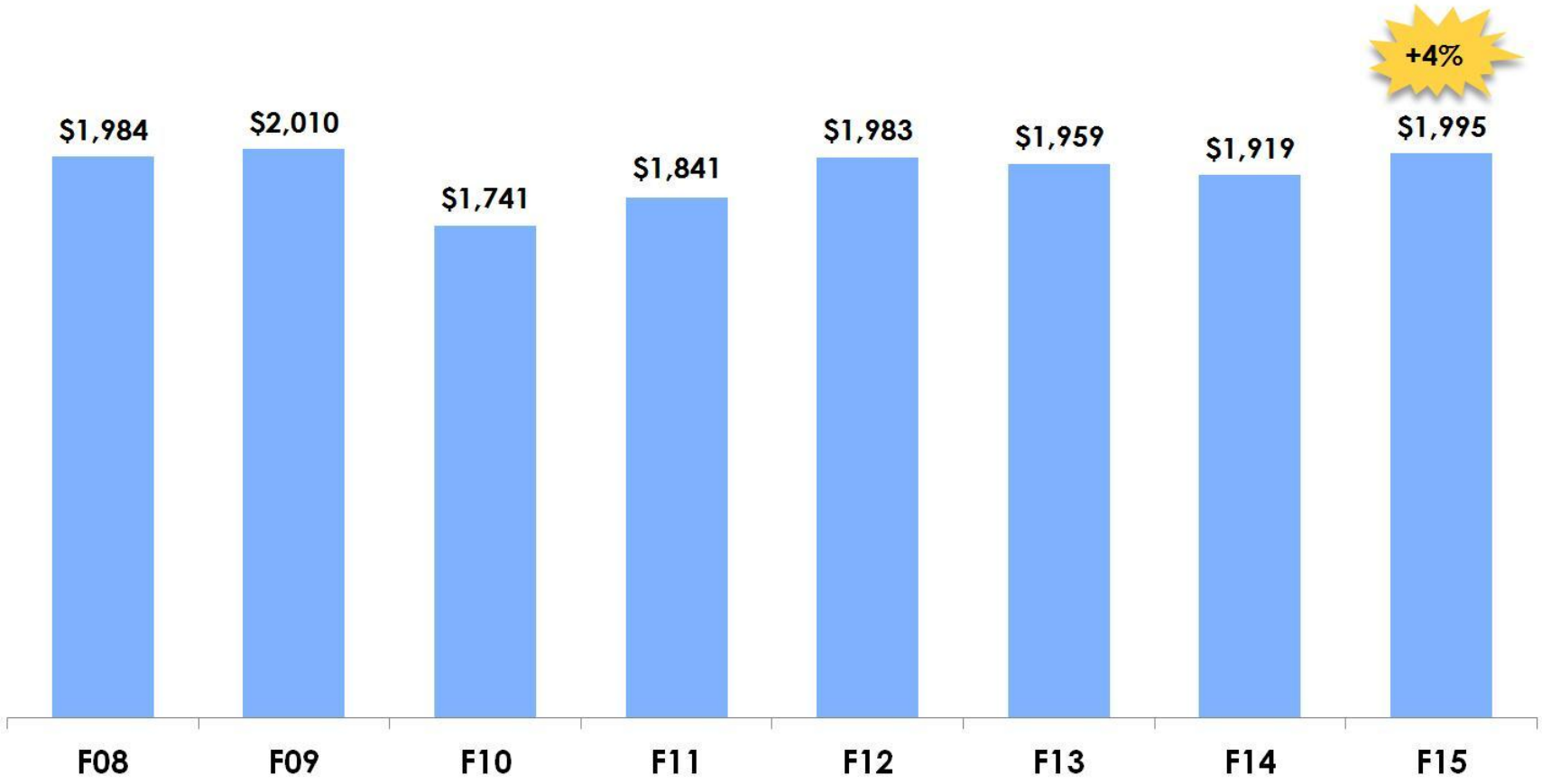

## Channel Growth

| | 2015 Est. Sales ($ in Billions) | 2016 Est. Nominal Growth |
|---|---|---|
| **Total Foodservice** | **$685** | **4%** |
| Healthcare | $26 | 5% |
| K-12 Schools | $19 | 2% |
| Colleges & Universities | $16 | 3% |
| **Convenience Stores** | **$53** | **4%** |

Source: Technomic June 2015, Nielsen Answers, Kantar

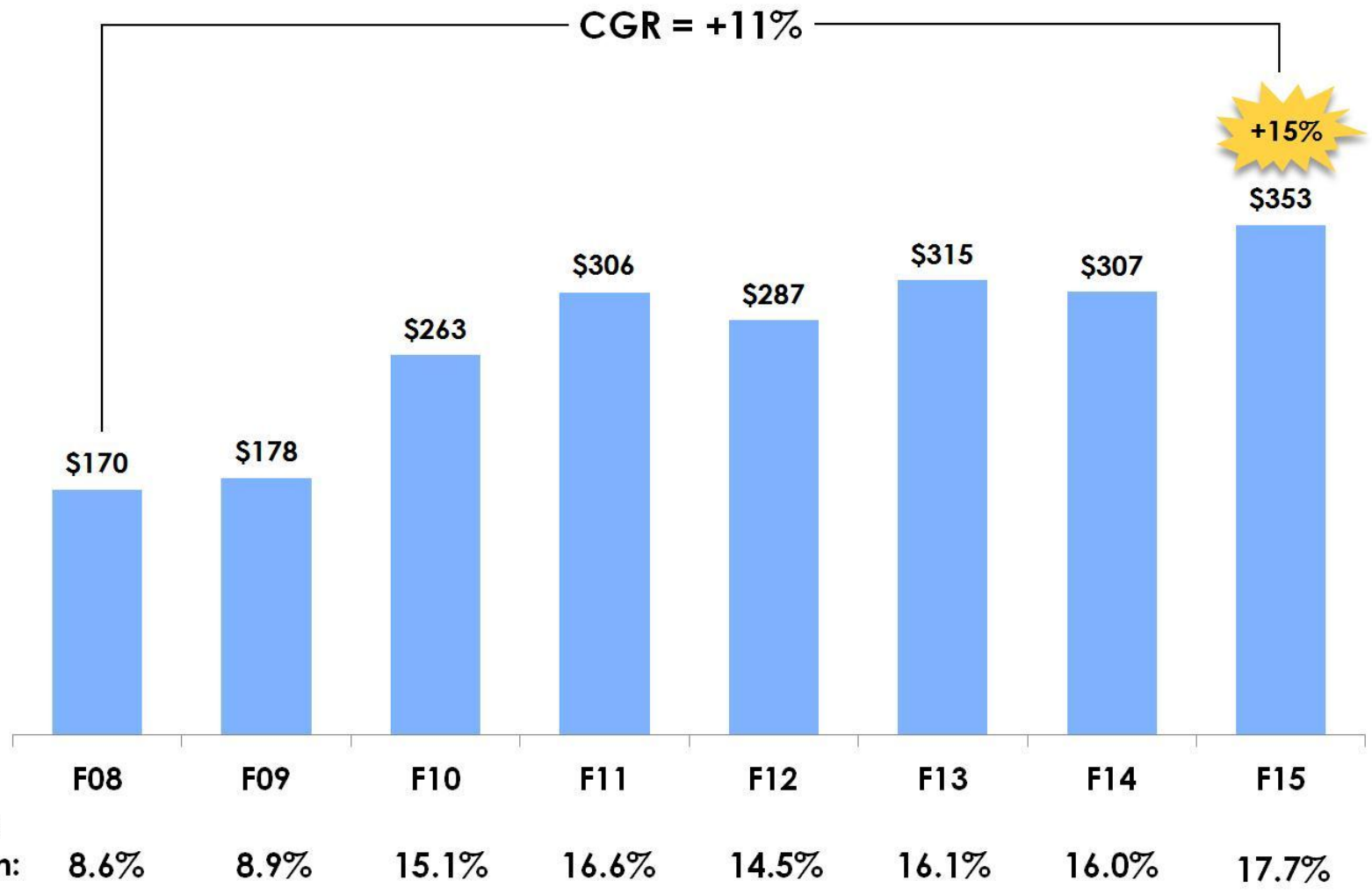
# Convenience Stores & Foodservice Net Sales Performance

*($ in Millions)*



# Convenience Stores & Foodservice Segment Operating Profit

($ in Millions)

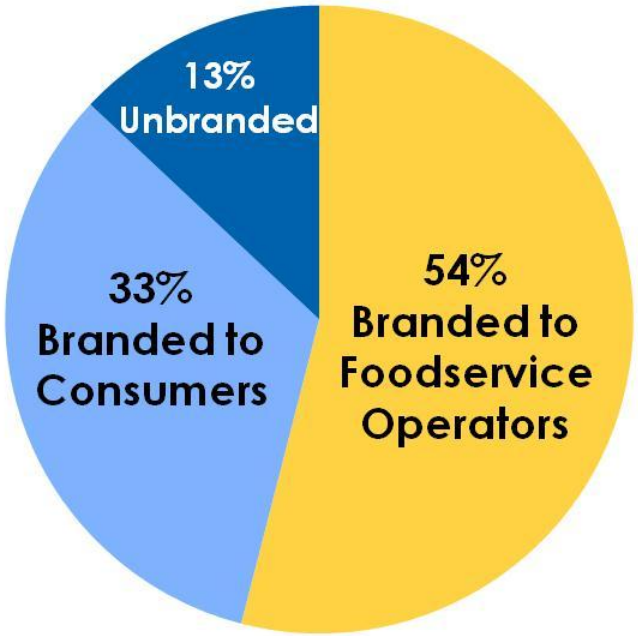


# Our Six Focus Platforms

| | | |
|---|---|---|
| Frozen Breakfast | Yogurt | Snacks |
| Cereal | Baking Mixes | Biscuits |

## A Branded Portfolio

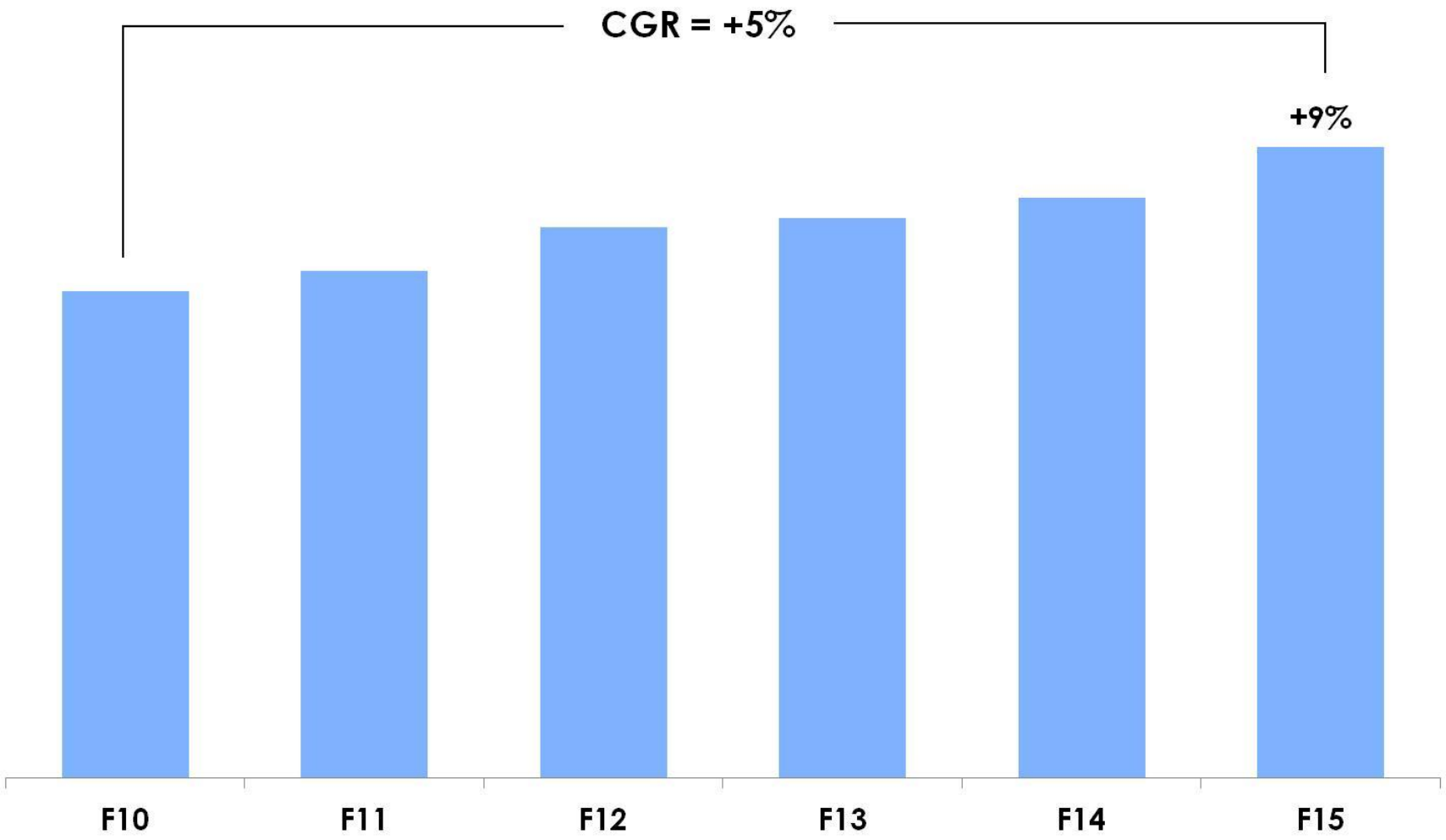
(% of F15 Net Sales)




- Half of Segment Net Sales
- 70% of Segment Operating Profit

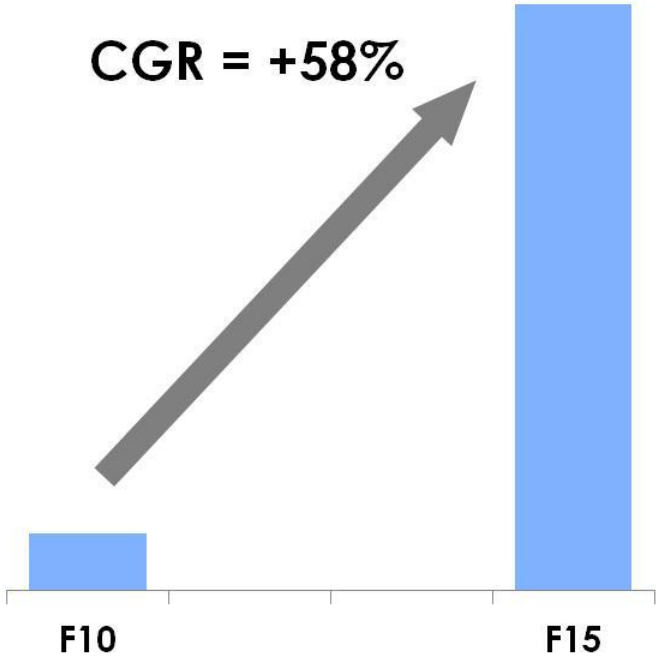
# *Six Focus Platforms Net Sales Performance*

*($ in Millions, % Change vs. LY)*



# *Frozen Breakfast in K-12 Schools*

**Net Sales**






# *Expanding to K-12 Lunch*










5 Billion School Lunches Served Annually

Source: USDA 2014

# *Cereal is Growing*




- F15 Net Sales +5%
- Leader in K-12 Schools and Colleges & Universities
- Expanding Presence in Healthcare

# *Leverage 2016 Cereal News*




Gluten Free

NO HIGH FRUCTOSE CORN SYRUP

NO COLORS FROM ARTIFICIAL SOURCES

NO ARTIFICIAL FLAVORS




Color and Flavor Renovation




Granola

# *Serving Snacking Solutions Everywhere*




K-12 Schools



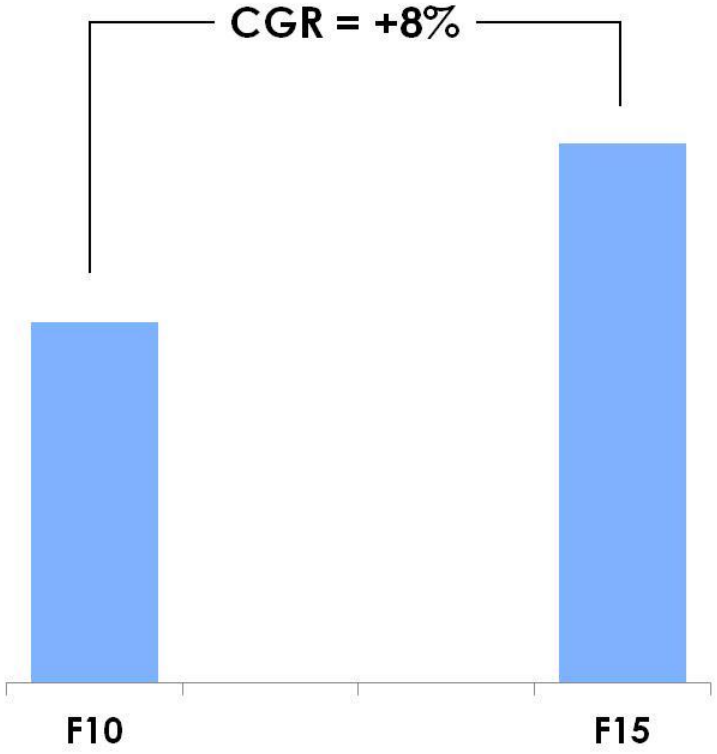

Convenience Stores




Natural & Organic Snacks

# Snacks Growing in Convenience Stores

**Net Sales**
**in Convenience Stores**















# Convenience Stores Bakery





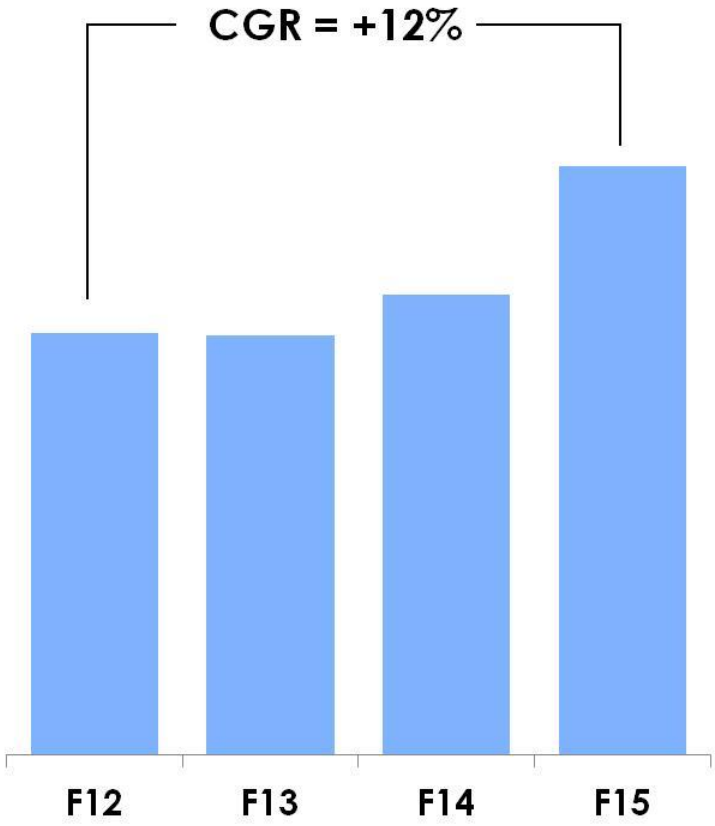





Increasing Distribution with New Platforms and New Customers

# Yogurt

## Net Sales






Yoplait ParfaitPro™



Yoplait SmoothiePro

# *Expanding Go-GURT*




200 Million Go-GURT Tubes Sold in McDonald's in Last 12 Months

# *Strong Execution Capabilities*

- National, Direct Salesforce
- Consumer and Operator Insights
- Innovative Solutions













# *Today's CS&F Summary*

- Record Profit Year in Fiscal 2015
- Reshaping Portfolio has Driven Strong Margin Expansion and Profit Growth
- Innovation Across Channels in 2016
- Expect Flat Net Sales and Margin Expansion As Reported in Fiscal 2016