

Kraft 4Q Profit Rises, Sales Just Miss Expectations

NEW YORK (AP) — [Kraft Foods](#) [1] said Thursday that cost cutting and one-time gains helped boost its quarterly profit, but its sales just missed Wall Street expectations.

The maker of Oscar Mayer meats and Jell-O pudding said its core revenue rose 3.2 percent, as higher volumes offset reduced prices. The results benefited from an easy comparison from a year earlier, when retailers didn't buy as much because they were stocked up on inventory in preparation for [Kraft's split from Mondelez](#) [2].

That split in late 2012 was intended to allow each company to focus on a more targeted stable of brands. Mondelez walked away with global snack brands with bigger growth potential, such as Oreo and Chips Ahoy. Kraft held onto brands such as Maxwell House, Miracle Whip and Planters, which are sold chiefly in the saturated North American market.

In an earnings call, CEO Tony Vernon also noted that Kraft faced "continuing headwinds in the near term," due to factors such as the weak job market.

But he expressed confidence for the future, noting the company's plans to revive the dated images of brands such as Kool-Aid, Jell-O and Crystal Light. Vernon pointed to Kraft's improved cheese business as an example of what it could do with other areas.

"If we can turn around cheese, we can turn around Jell-O," he told analysts.

In the meantime, the company has made cost controls a priority given the limited growth prospects. The company said such measures helped boost operating income in the quarter.

For the fourth quarter ended Dec. 28, Kraft earned \$931 million, or \$1.54 per share, including a \$1.11 per-share benefit tied to its retirement plans. The company did not specify an earnings-per-share figure adjusted for one-time items.

Excluding one-time items, analysts expected 61 cents per share, according to FactSet.

A year earlier, Kraft earned \$90 million, or 15 cents per share.

Revenue for the quarter rose to \$4.6 billion, but was shy of the \$4.63 billion Wall Street expected.

Shares of Kraft Foods Group Inc. rose 1 percent to \$54.20 in after-hours trading.

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