Kraft Foods

Deutsche Bank
Global Consumer Conference

June 19, 2012

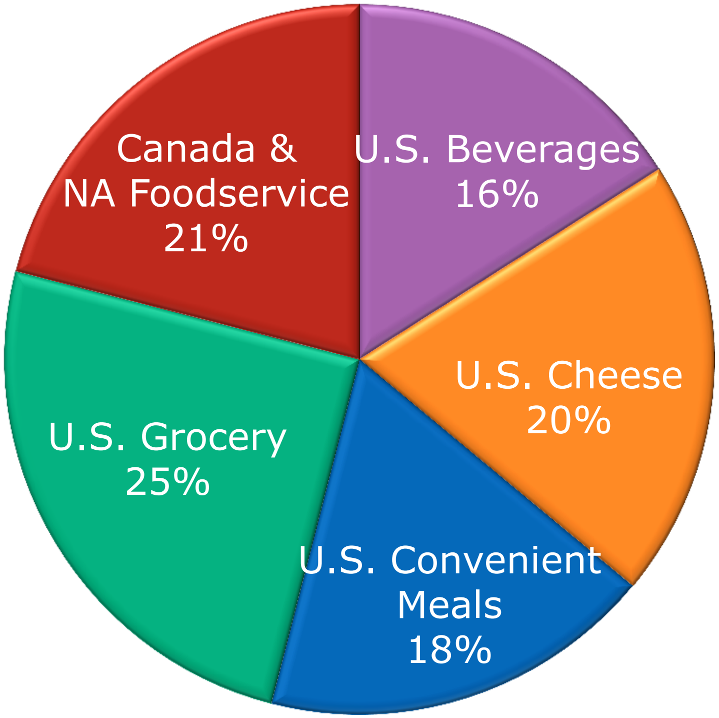
Forward-looking statements

This presentation contains a number of forward-looking statements. The words “drive”, “build,” focus,” “manage,” “aim,” “will” and similar expressions are intended to identify our forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements regarding GroceryCo’s revenue growth, margins and dividend; SnackCo’s growth and dividend; progress on the separation of our businesses; our snacking business, in particular, delivering pinnacle performance, the virtuous cycle and top-line growth; key priorities in 2012; chocolate, biscuits; coffee; cheese; sales execution; managing costs; high performing team; and our snacking advantage in Europe. 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 weakness in the global economy, failure to separate the business successfully, increased competition, pricing actions, continued volatility in and increase in commodity costs 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 presentation, except as required by applicable law or regulation.

Chris Jakubik

Vice President, Investor Relations

GroceryCo will be a major force in the industry

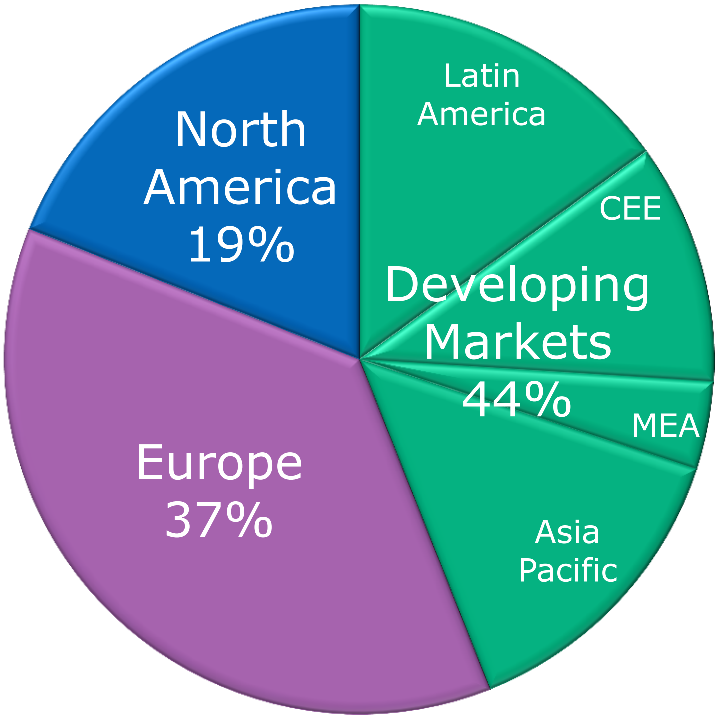


~$19 Billion in Revenues*

- Revenue growth in key product categories
- Superior operating income, strong cash flow
- Highly competitive dividend payout

* As reported in Kraft Foods Group, Inc. Amended Form 10, filed with the SEC on June 12, 2012.

SnackCo's geographic profile is unique within consumer products



~$35 Billion in Revenues*

- Pre-eminent player in global snacking
- Growth through
  - Global platforms
  - Scale in Developing Markets
  - New sales channels
- Top-tier EPS growth plus a modest dividend

* Based on 2011 reported net revenues adjusted for accounting calendar changes, the 53rd week of shipments and divestitures. Excludes *Planters*. All figures are unaudited.

Making significant progress in separation process

- Received favorable U.S. tax ruling in May
  - Expect Canadian tax ruling around mid-year
- Filed second amended Form 10 on June 12
- Making good progress on IT infrastructure work and debt migration plan
  - Issued $6B bonds in early June
- Continuing to advance personnel decisions
- Complete separation no later than Dec. 31, 2012
  - Presentations by management teams in advance of separation

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Tim Cofer

President, Kraft Foods Europe

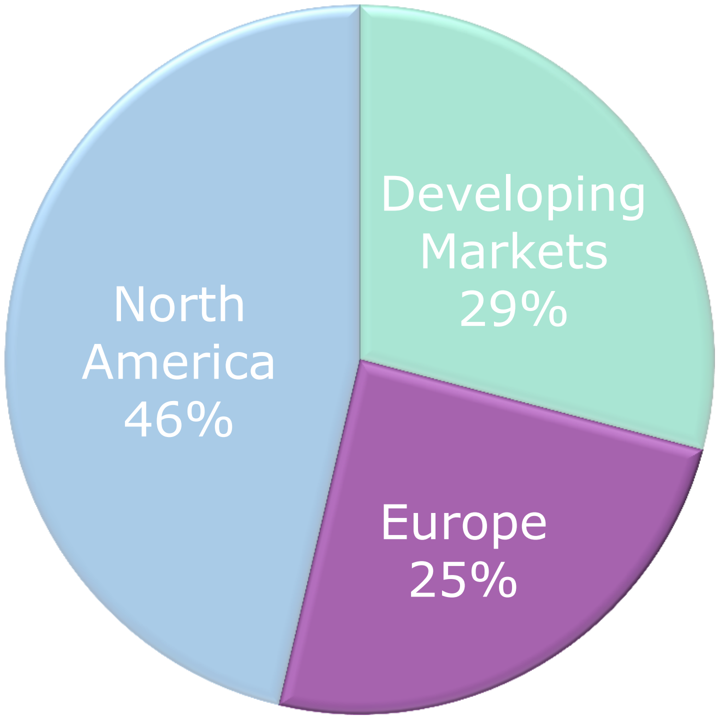
Driving "Europe's Favorite Snacking Company"

- Unrivaled portfolio, leadership positions
- Focus working: Power Brands, Big Bets
- Business momentum, challenging environment
- Raising the bar on execution
- Building aligned, engaged, empowered team

Delivering Pinnacle Performance

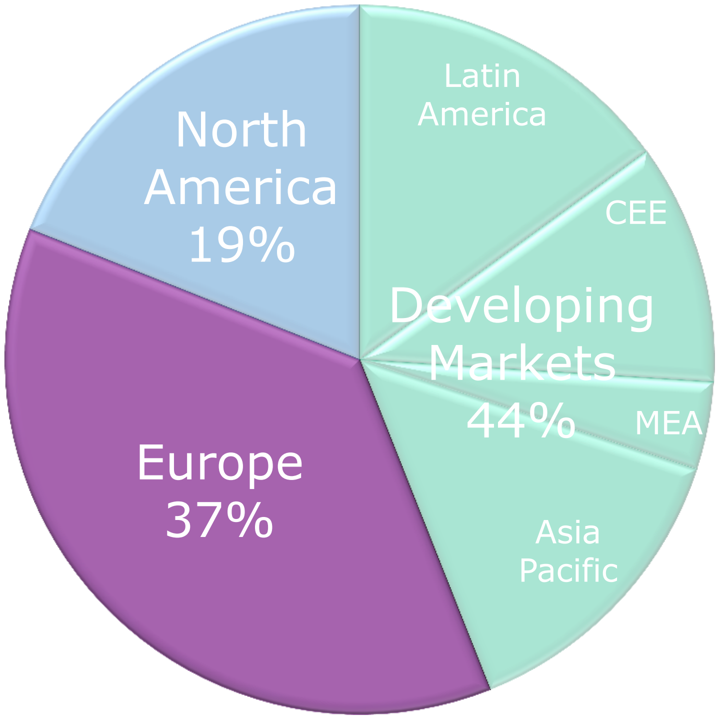
Europe's increasing role in SnackCo

Europe as % of Kraft Foods



~$54 Billion in 2011 Revenues

Europe as % of SnackCo

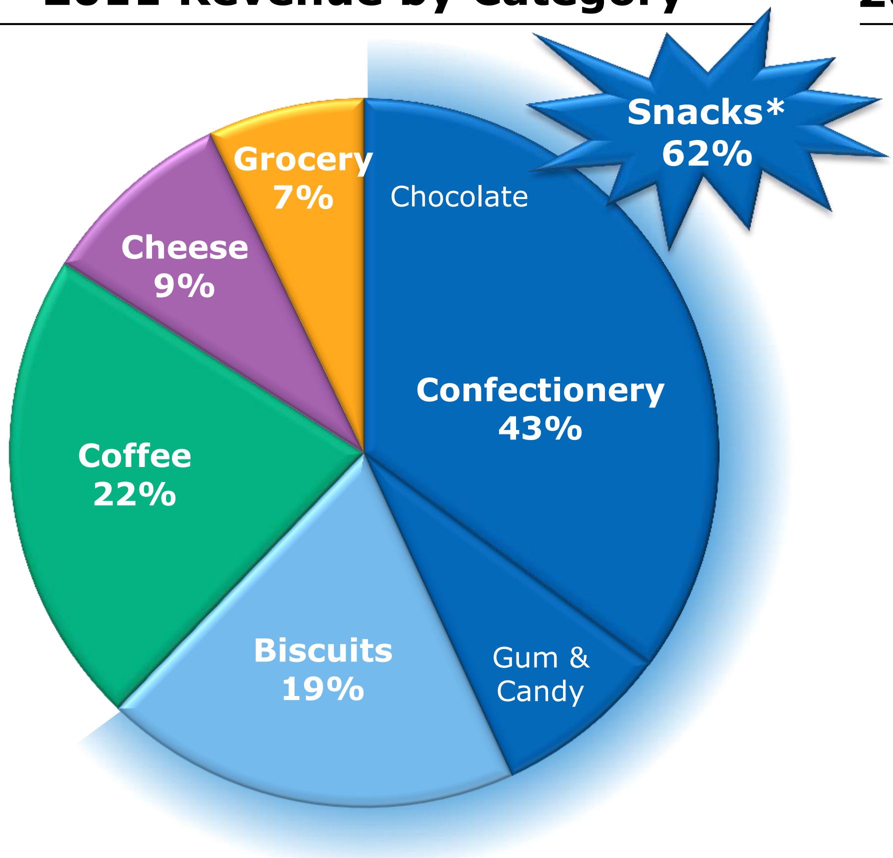


~$35 Billion in 2011 Revenues*

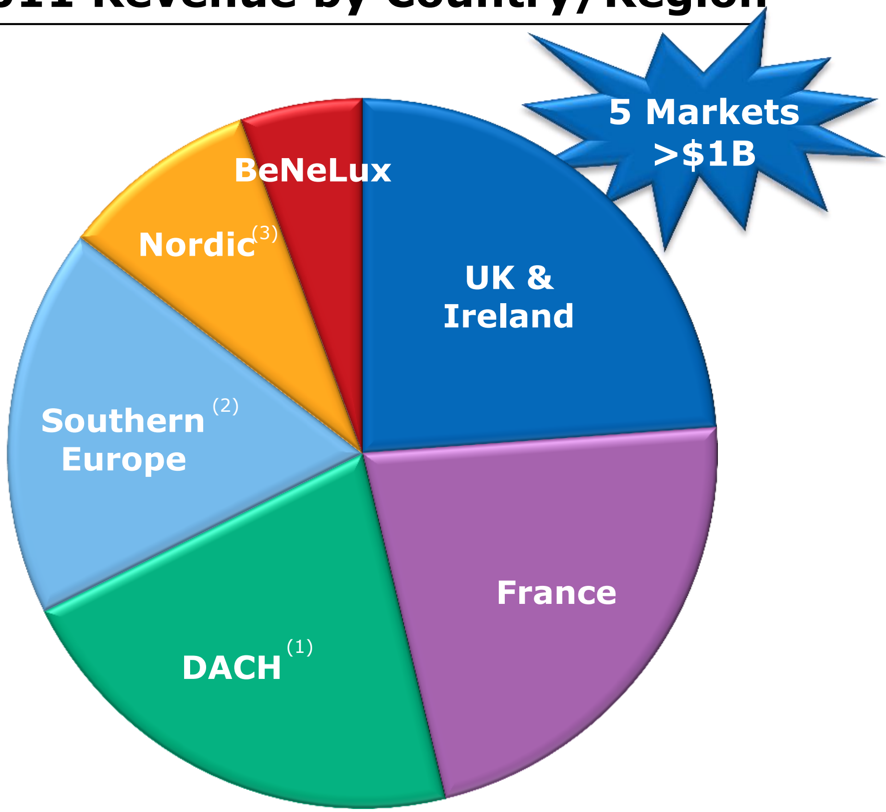
* Based on reported net revenues adjusted for accounting calendar changes, the 53rd week of shipments and divestitures. Excludes *Planters*. All figures are unaudited.

Kraft Foods Europe today

2011 Revenue by Category



2011 Revenue by Country/Region



~$13 Billion in Revenues in 2011

* Snacks is defined as the combination of the Biscuits sector, which includes cookies, crackers and salted snacks, and the Confectionery sector, which includes chocolate, gum & candy and other confectionery.

(1) DACH: Germany, Austria, Switzerland, Travel Retail and EU Exports
(2) Southern Europe: Italy, Greece, Iberia
(3) Nordic: Sweden, Norway, Denmark, Finland

Leadership positions in key categories

Category	Position	Kraft Foods Share	Relative to Nearest Branded Competitor
Chocolate	#1	21%	1.3x
Biscuits	#1	16%	1.7x
Gum	#2	40%	1.0x
Coffee	#1	20%	1.3x
Cream Cheese	#1	37%	2.8x

Source: Nielsen 2011 shares in categories in countries in which Kraft Foods competes.

Increased focus on Power Brands and Big Bets

	Power Brands	Regional Brands
Chocolate	Milka, Cadbury, Toblerone, Côte d'Or	Freia, Marabou, Suchard, Lacta
Biscuits	LU, Oreo, belVita, ChocoBakery	Prince, Mikado, Ourson, Tuc, Fontaneda, Saiwa
Gum & Candy	Trident, Halls	Hollywood Chewing Gum, Stimorol, V6, Carambar, Maynards
Coffee	Tassimo, Carte Noire, Jacobs, Kenco	Jacques Vabre, Grand' Mère, caffè Hag, Gevalia
Cheese	Kraft Philadelphia	Dairylea, Kraft Sottilette, El Caserío

Distorting Resources For Growth

Leveraging European Platforms

Driving a virtuous cycle in a challenging environment

EU Environment 2011

- **Unprecedented commodity input pressure**
- **Challenging environment**
  - Deteriorating macro-economics
  - Worsening consumer confidence
- **Significant internal integration and change agenda**

EU Virtuous Cycle 2011

Focus on Power Brands
+7%

Drive Top-Tier Growth
Organic Net Revenue +4.6%(1)

Reduce Costs
Productivity >4% COGS

Leverage Overheads
% of NR down (150)bps(2)

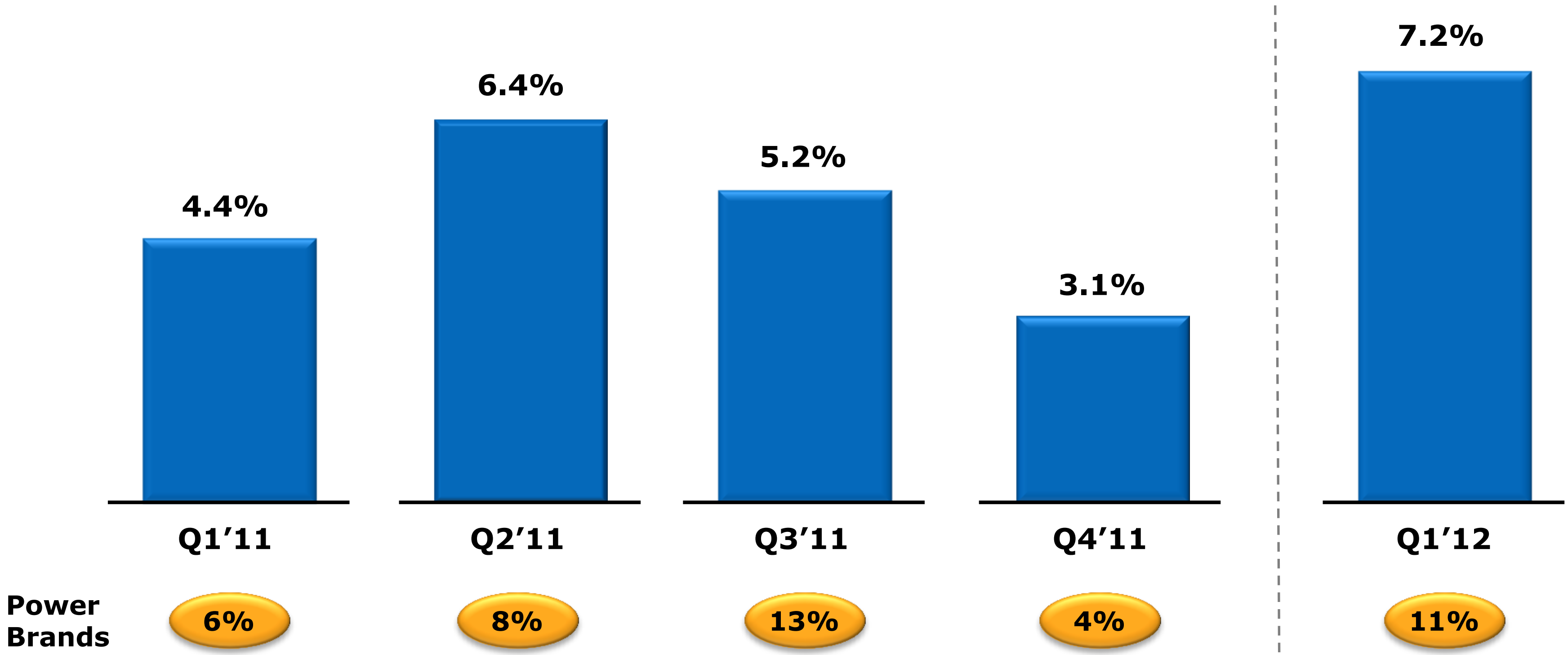
Reinvest in Growth
A&C 8% of NR
NPD 12% of NR

(1) Reported Net Revenue growth was 14.9%. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Underlying overheads as a % of net revenue excludes Integration Program costs. Reported overheads as a % of net revenue was down (200) bps versus 2010. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Power Brands driving top line growth …

9th consecutive quarter of top line growth

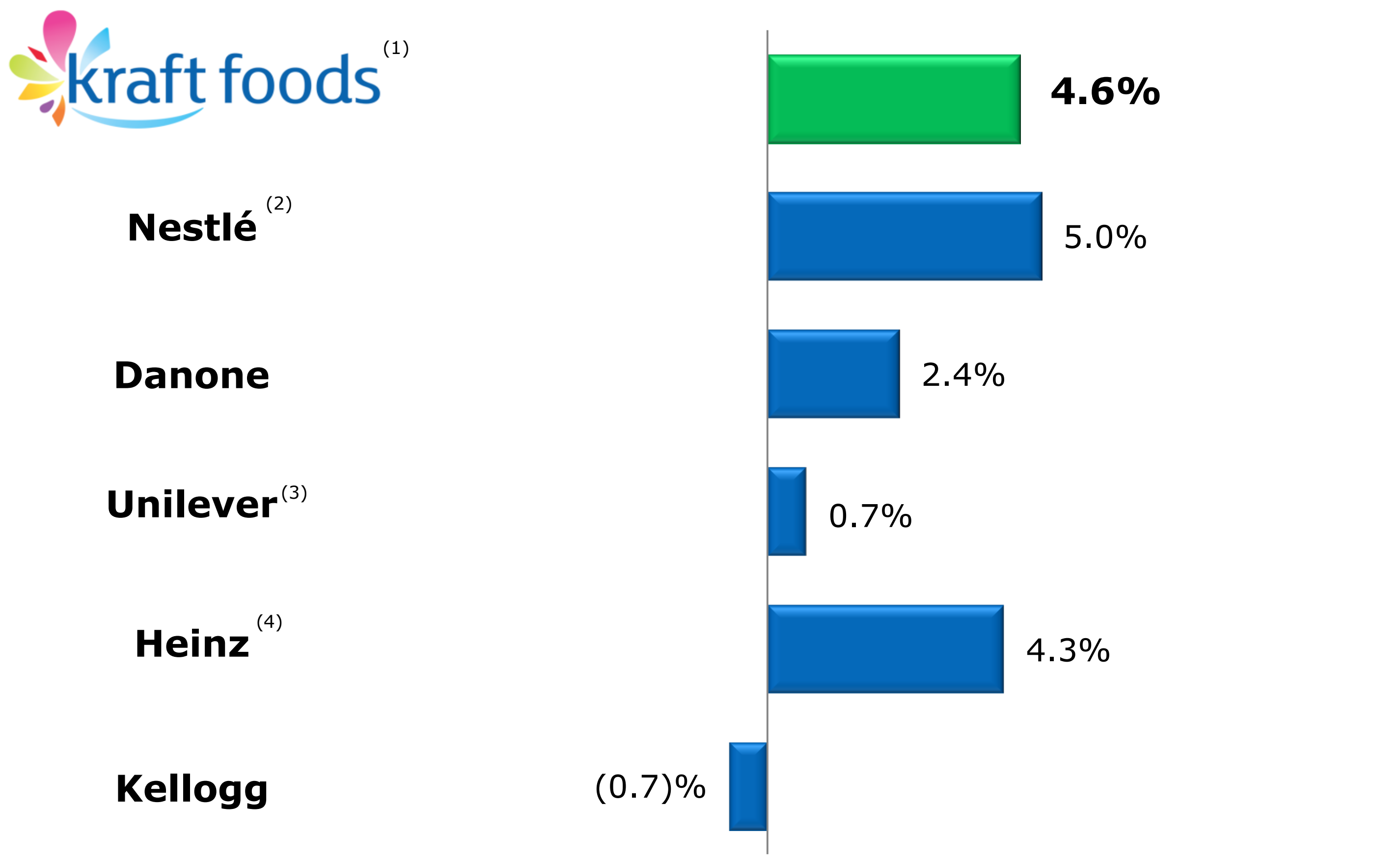
Organic Revenue Growth(1)



(1) Reported net revenue growth for Q1'11, Q2'11, Q3'11, Q4'11 and Q1'12 was 11.3%, 26.2%, 16.1%, 7.5% and 4.5%, respectively. See GAAP to Non-GAAP Reconciliation at the end of this presentation.

… and delivering top tier revenue growth

2011 Organic Revenue Growth in Europe

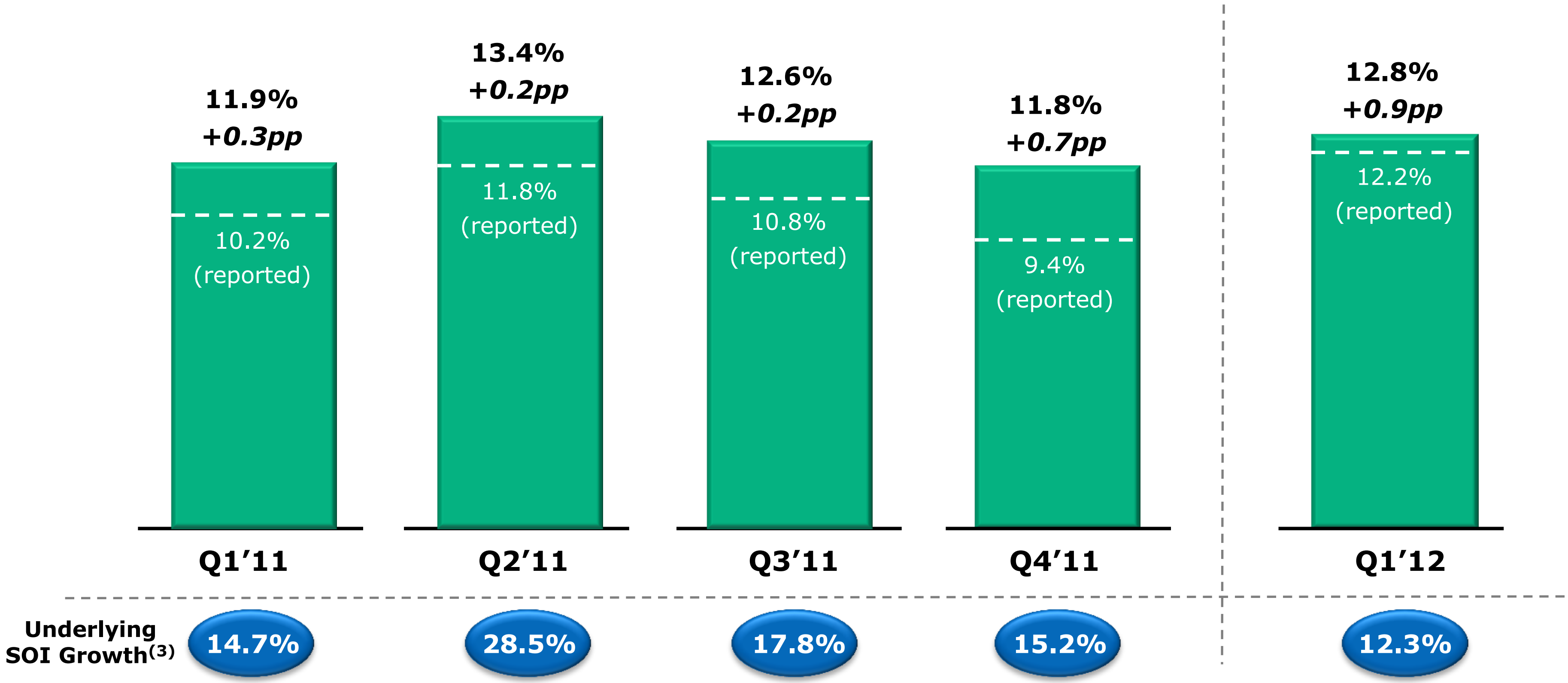


(1) Reported Net Revenue growth in 2011 was 14.9%. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Nestle Europe incl. Nespresso, Waters, Nutrition.
(3) 2011 represents Western Europe, which excludes Central and Eastern Europe.
(4) Reflects fiscal year ended April 29, 2012.

Quality of results is reflected in sustainable margin/OI growth

13th consecutive quarter of bottom line growth

Underlying Segment OI Margins(1)(2)



(1) Reflects underlying segment operating income margins, which is defined as segment operating income excluding costs related to: the Integration Program; and acquisition-related costs, including transaction advisory fees, UK stamp taxes and the impact of the Cadbury inventory revaluation. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Percentage point variance vs. prior year, valid for all periods.
(3) Reported SOI growth for Q1'11, Q2'11, Q3'11, Q4'11 and Q1'12 were 6.6%, 23.9%, 0.6%, 119.5% and 24.7%, respectively. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Raising the bar: Five key priorities in 2012

1. Elevate marketing excellence on Power Brands
2. Drive perfect sales execution
3. Manage costs aggressively
4. Lever Snacking Scale
5. Build one high-performing team

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Chocolate expanding into Snacking

- Increased focus on Power Brands
- Pan-EU big bets
  - *Bubbly*
  - *Crispello*
  - *SNAX*
- World-class equity campaigns and brand promotions
  - *Cadbury* Joyville; London 2012 Olympics
  - *Milka* Dare to be tender

JOYVILLE

Milka Dare to be tender.

Biscuits reframing into Snacking

- Increased focus on Power Brands

- Grand *LU* program
  - One brand, One face, One voice

- Chocobakery platform
  - Lever iconic chocolate brands

- *belVita* platform acceleration
  - Own Breakfast occasion pan-EU

Coffee winning in a revolution

- Increased focus on Power Brands

- Soluble coffee revolution
  - *Millicano* success UK
  - Pan-EU expansion

- *Tassimo* acceleration

Cheese winning via focus on Philadelphia

- Increased focus on

- Versatility elevation
  - New Advertorials
  - New Internet Interaction
  - World-class Instore Activation

- Successful expansion in France

- *Philadelphia* with chocolate
  - Lever iconic chocolate brands

Drive perfect sales execution

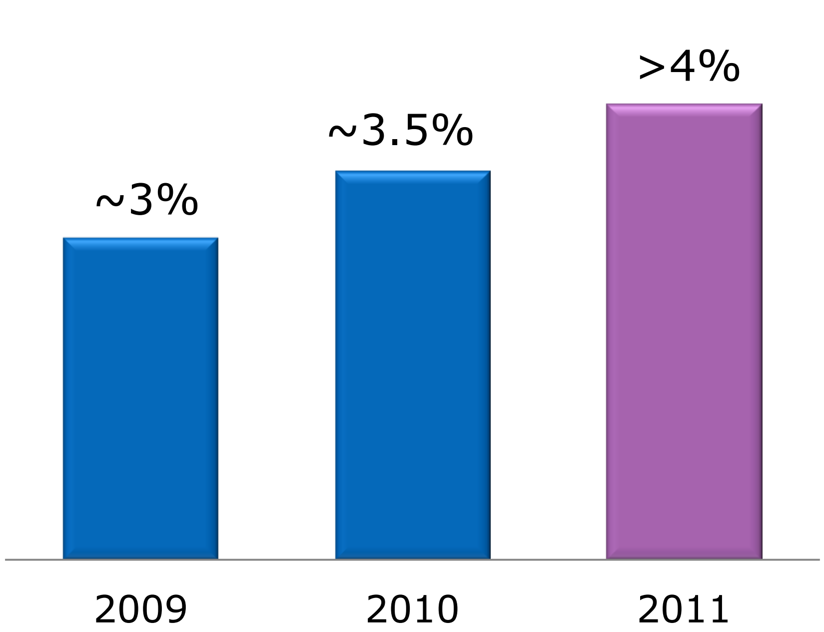
- Building an execution powerhouse
  - Perfect store & assortment
  - Perfect place & promotion
  - Perfect in-store agenda

- Building Instant Consumption
  - Focus on Gum
  - Extend/deepen coverage
  - Optimize assortment by format

- Leveraging cross category scale in-store

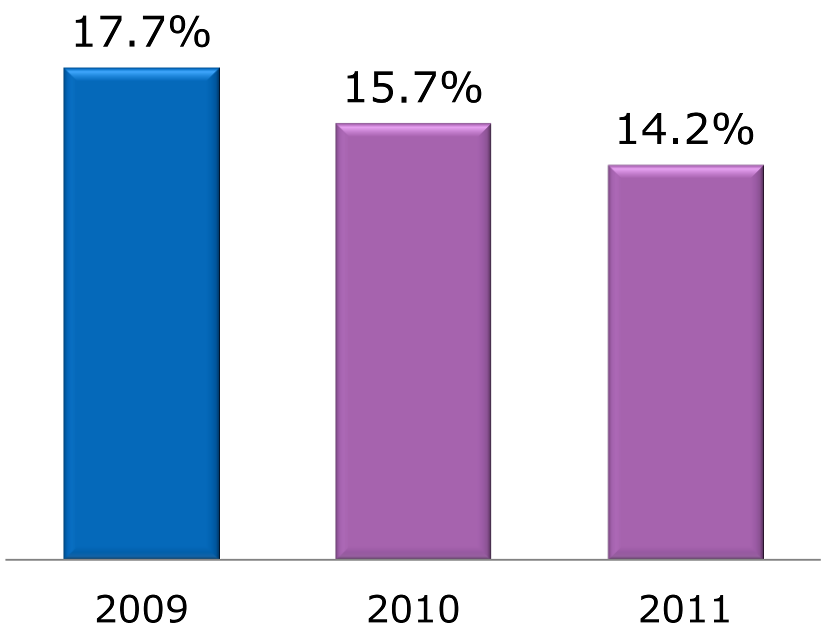
Manage costs aggressively

Productivity as % COGS



- **End-to-End Productivity**
- **Cadbury synergies**

Overheads as % Revenue*



- **Targeting negative overhead growth**
- **Cadbury synergies**

Kraft Foods Europe Base Business   Including Cadbury

* 2009 Overheads as a % of Net Revenues are as reported. 2010 and 2011 Overheads as a % of Net Revenues exclude Integration Program costs and acquisition-related costs associated with the Cadbury acquisition. Reported overheads as a % of Net Revenues for 2010 and 2011 were 17.5% and 15.5%, respectively. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Driving Europe's Favorite Snacking Company

- Large and growing snacking behavior
  - $335B market
  - 1.4x faster growth vs. "non-snacking"
  - #1 position
- Advantaged portfolio of brands
- Snacking scale in Route-to-Market & In-store
- Unique capabilities
  - R&D Snacking focus
  - Marketing excellence
  - Perfect sales activation
- Proprietary consumer & shopper insights

FUEL

TREAT

BOOST

Build one high performing team

- Inspiring vision: Europe's Favorite Snacking Company
- People First Agenda
- Values based employee recognition program
- Campus Leadership Academy

Pinnacle Performance ambition

Best Team

People First Agenda

Engaged, Empowered, Aligned & Inspired

Europe's Favorite Snacking Company

Top Tier Revenue Growth

Geared for Growth

Power Brands, Big Bets & Snacking Scale

Lean & Simple

COGS, Overheads

Top Tier Profitability

kraft foods

make today delicious

GAAP to Non-GAAP Reconciliation

Net Revenues to Organic Net Revenues

For the Twelve Months Ended December 31,

($ in millions, except percentages) (Unaudited)

	As Reported (GAAP)	Impact of Acquisitions (1)	Impact of Accounting Calendar Changes (2)	Impact of Currency	Organic (Non-GAAP)	% Change: As Reported (GAAP)	% Change: Organic (Non-GAAP)	Organic Growth Drivers: Vol / Mix	Organic Growth Drivers: Price
2011									
Kraft Foods Europe	$ 13,356	$ (201)	$ (403)	$ (632)	$ 12,120	14.9%	4.6%	0.2 pp	4.4 pp
2010									
Kraft Foods Europe	$ 11,628	-	$ (45)	-	$ 11,583				

(1) Impact of acquisitions reflects the incremental January 2011 operating results from our Cadbury acquisition on February 2, 2010.

(2) Includes the impacts of accounting calendar changes and the 53rd week of shipments in 2011.

GAAP to Non-GAAP Reconciliation

Overheads

For the Twelve Months Ended December 31,
($ in millions, except percentages) (Unaudited)

	2011			2010			Increase/(Decrease)	
	As Reported (GAAP)	Integration Program Costs [1]	**Underlying (Non-GAAP)**	**As Reported (GAAP)**	Integration Program Costs [1]	**Underlying (Non-GAAP)**	**As Reported (GAAP)**	**Underlying (Non-GAAP)**
Kraft Foods Europe								
Net Revenues	$ 13,356	$ -	$ 13,356	$ 11,628	$ -	$ 11,628		
Overheads	$ 2,072	$ (170)	$ 1,902	$ 2,031	$ (209)	$ 1,822	2.0%	4.4%
Overheads as % of Net Revenues	15.5%		14.2%	17.5%		15.7%	(2.0)pp	(1.5)pp

[1] Integration Program costs are defined as the costs associated with combining the Kraft Foods and Cadbury businesses, and are separate from those costs associated with the acquisition.

GAAP to Non-GAAP Reconciliation

Net Revenues to Organic Net Revenues

For the Three Months Ended,

($ in millions, except percentages) (Unaudited)

						% Change		Organic Growth Drivers	
	As Reported (GAAP)	Impact of Acquisitions [1]	Impact of Accounting Calendar Changes [2]	Impact of Currency	**Organic (Non-GAAP)**	**As Reported (GAAP)**	**Organic (Non-GAAP)**	Vol / Mix	Price
Q1 2012									
Kraft Foods Europe	$ 3,151	$ -	$ -	$ 83	$ 3,234	4.5%	7.2%	4.4 pp	2.8 pp
Q1 2011									
Kraft Foods Europe	$ 3,016	$ -	$ -	$ -	$ 3,016				
Q4 2011									
Kraft Foods Europe	$ 3,716	$ -	$ (177)	$ 23	$ 3,562	7.5%	3.1%	(2.2)pp	5.3 pp
Q4 2010									
Kraft Foods Europe	$ 3,456	$ -	$ -	$ -	$ 3,456				
Q3 2011									
Kraft Foods Europe	$ 3,099	$ -	$ -	$ (291)	$ 2,808	16.1%	5.2%	1.2 pp	4.0 pp
Q3 2010									
Kraft Foods Europe	$ 2,670	$ -	$ -	$ -	$ 2,670				
Q2 2011									
Kraft Foods Europe	$ 3,525	$ -	$ (226)	$ (376)	$ 2,923	26.2%	6.4%	0.8 pp	5.6 pp
Q2 2010									
Kraft Foods Europe	$ 2,793	$ -	$ (45)	$ -	$ 2,748				
Q1 2011									
Kraft Foods Europe	$ 3,016	$ (201)	$ -	$ 12	$ 2,827	11.3%	4.4%	2.0 pp	2.4 pp
Q1 2010									
Kraft Foods Europe	$ 2,709	$ -	$ -	$ -	$ 2,709				

(1) Impact of acquisitions reflects the incremental January 2011 operating results from our Cadbury acquisition on February 2, 2010.

(2) Includes the impacts of accounting calendar changes and the 53rd week of shipments in 2011.

GAAP to Non-GAAP Reconciliation

Operating Income To Underlying Operating Income

For the Three Months Ended,

($ in millions, except percentages) (Unaudited)

	2012			2011			
	As Reported (GAAP)	Integration Program Costs (1)	**Underlying (Non-GAAP)**	**As Reported (GAAP)**	Integration Program Costs (1)	Acquisition-Related Costs (2)	**Underlying (Non-GAAP)**
Q1 Kraft Foods Europe							
Segment Operating Income	$ 384	$ 19	$ 403	$ 308	$ 51	$ -	$ 359
Growth vs. Prior Year	24.7%		12.3%				
Segment Operating Income Margin	12.2%		12.8%	10.2%			11.9%

	2011			2010			
	As Reported (GAAP)	Integration Program Costs (1)	**Underlying (Non-GAAP)**	**As Reported (GAAP)**	Integration Program Costs (1)	Acquisition-Related Costs (2)	**Underlying (Non-GAAP)**
Q4 Kraft Foods Europe							
Segment Operating Income	$ 349	$ 91	$ 440	$ 159	$ 223	$ -	$ 382
Growth vs. Prior Year	119.5%		15.2%				
Segment Operating Income Margin	9.4%		11.8%	4.6%			11.1%
Q3 Kraft Foods Europe							
Segment Operating Income	$ 334	$ 56	$ 390	$ 332	$ (1)	$ -	$ 331
Growth vs. Prior Year	0.6%		17.8%				
Segment Operating Income Margin	10.8%		12.6%	12.4%			12.4%
Q2 Kraft Foods Europe							
Segment Operating Income	$ 415	$ 58	$ 473	$ 335	$ 33	$ -	$ 368
Growth vs. Prior Year	23.9%		28.5%				
Segment Operating Income Margin	11.8%		13.4%	12.0%			13.2%
Q1 Kraft Foods Europe							
Segment Operating Income	$ 308	$ 51	$ 359	$ 289	$ 1	$ 23	$ 313
Growth vs. Prior Year	6.6%		14.7%				
Segment Operating Income Margin	10.2%		11.9%	10.7%			11.6%

(1) Integration Program costs are defined as the costs associated with combining the Kraft Foods and Cadbury businesses, and are separate from those costs associated with the acquisition.

(2) Acquisition-related costs include transaction advisory fees, U.K. stamp taxes and the impact of the Cadbury inventory revaluation.