Kraft Foods

Sanford Bernstein
Strategic Decisions Conference

June 3, 2010

Forward-looking statements

This document contains a number of forward-looking statements. Words, and variations of words such as "expect," "goals," "plans," "believe," continue," "may," "will," and similar expressions are intended to identify our forward-looking statements including, but not limited to, statements that we exited 2009 with good operating and financial momentum; we've positioned our base business to benefit from a virtuous cycle, including managing input costs by maintaining strong brand equities, focus and prioritize investments to drive volume/mix gains, leverage scale to drive productivity and reduce overhead costs, reinvest to drive future growth and set growth objectives off a solid base; we took actions to position our portfolio for top-tier performance; the new Kraft Foods is now geared to deliver accelerated growth, in particular, to step up organic revenue growth we will focus on growth categories, expand our footprint in developing markets, increase our presence in growing trade channels and for profit margin expansion, we will leverage our scale and improve our portfolio mix; that our highly complementary footprint will grow our brands in key developing markets; that we will benefit from complementary strengths in sales and distribution; that we will leverage our position as the global sweet snacks leader; that our organic revenue growth will accelerate as we integrate, through significant revenue synergies, focusing investments on growth categories, increasing footprint in developing markets, and expanding presence in growing trade channels; we have a strong pipeline of cost-savings initiatives that will accelerate margin expansion by resetting overhead costs; our expected average annual spend; that we expect to deliver at least $675 million of pre-tax cost savings from integration; that our upfront spending will be followed by substantial cost savings in 2011 and 2012; that driving growth, leveraging scale will accelerate margin expansion, in particular, by focusing brand investments to improve product mix, driving productivity savings through greater scale, leveraging overhead costs to further expand margins and reinvesting a portion of savings in incremental brand support; that we are well positioned for sustainable, profitable, top-tier growth; our long-term targets for organic revenue growth, profit margins and EPS growth; that our transformation will change our earnings trajectory; and that we are building a global powerhouse by building solid sustainable momentum in our base business, reshaping our portfolio for top-tier performance and laying a solid foundation to accelerate growth. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from those indicated in our forward-looking statements. Such factors include, but are not limited to, continued volatility of input costs, pricing actions, increased competition, our ability to differentiate our products from retailer brands, our indebtedness and ability to pay our indebtedness, the shift in consumer preference to lower margin products, risks from operating internationally, tax law changes, failure to realize the expected benefits of our combination with Cadbury, and continued weak general economic and business conditions. For additional information on these and other factors that could affect our forward-looking statements, see the risk factors, as they may be amended from time to time, set forth in our filings with the SEC, including our registration statement on Form S-4, as amended from time to time, filed in connection with our Cadbury offer, 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 document, except as required by applicable law or regulation.

Three years ago, we laid out a plan to return to sustainable, long-term growth

- 2007: Rejuvenate top-line growth
- 2008: Grow both top and bottom lines
- 2009: Build profit margins and market share

Long-Term Targets

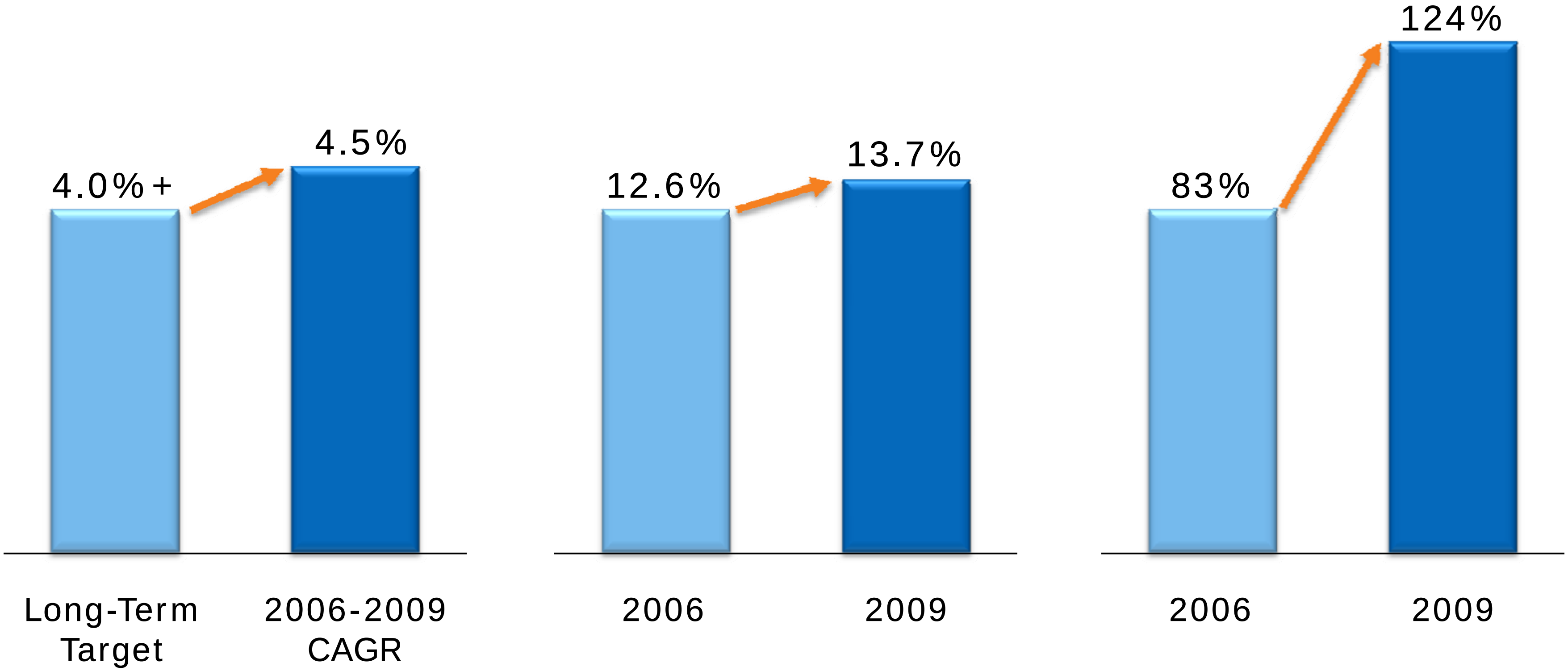
Organic Net Revenue Growth	**4%+**
EPS Growth	**7-9%**

We exited 2009 with good operating and financial momentum

Organic Revenue Growth*

Operating Income Margin

Free Cash Flow as % of Net Earnings*



Amounts are not restated for the divestiture of the Pizza business.
* See GAAP to Non-GAAP reconciliation at the end of this presentation.

We’ve now positioned our base business to benefit from a virtuous cycle

Set growth objectives off a solid base

Manage input costs by maintaining strong brand equities

Focus and prioritize investments to drive volume/mix gains

Leverage scale to drive productivity and reduce overhead costs

Reinvest to drive future growth

At the same time, we took actions to stage our portfolio for top-tier performance

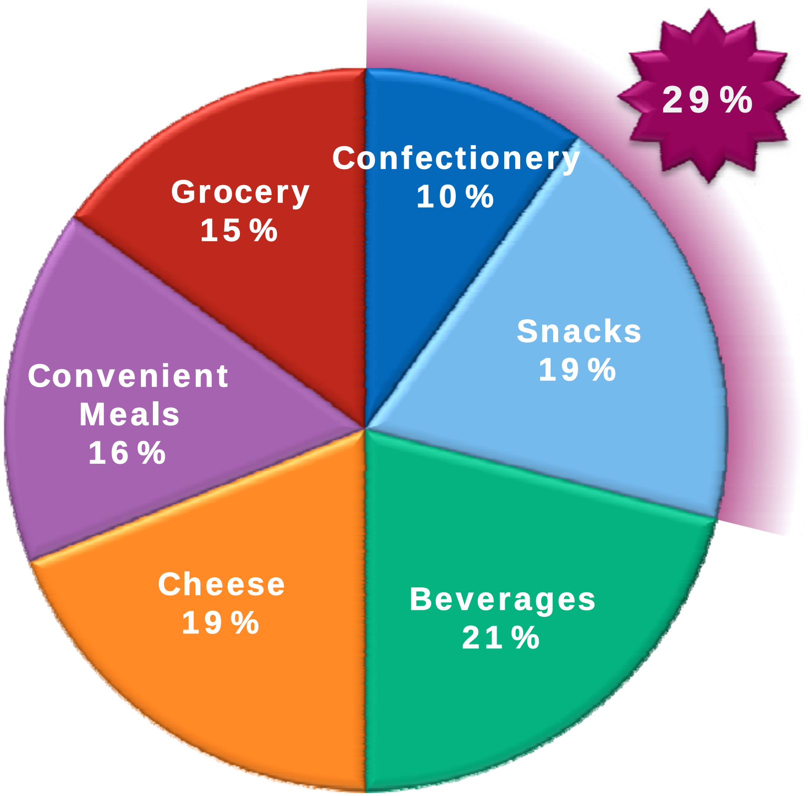
Divestitures	Pruning	Acquisitions
		(European rights)
$3.2B Net Revenue	~$300M Net Revenue ~1.5% of global volume	$12.6B Net Revenue

The new Kraft Foods is now geared to deliver accelerated growth

Step Up Organic Revenue Growth	Expand Profit Margins
• Focus on growth categories	• Leverage scale
• Expand footprint in developing markets	• Improve portfolio mix
• Increase presence in growing trade channels	

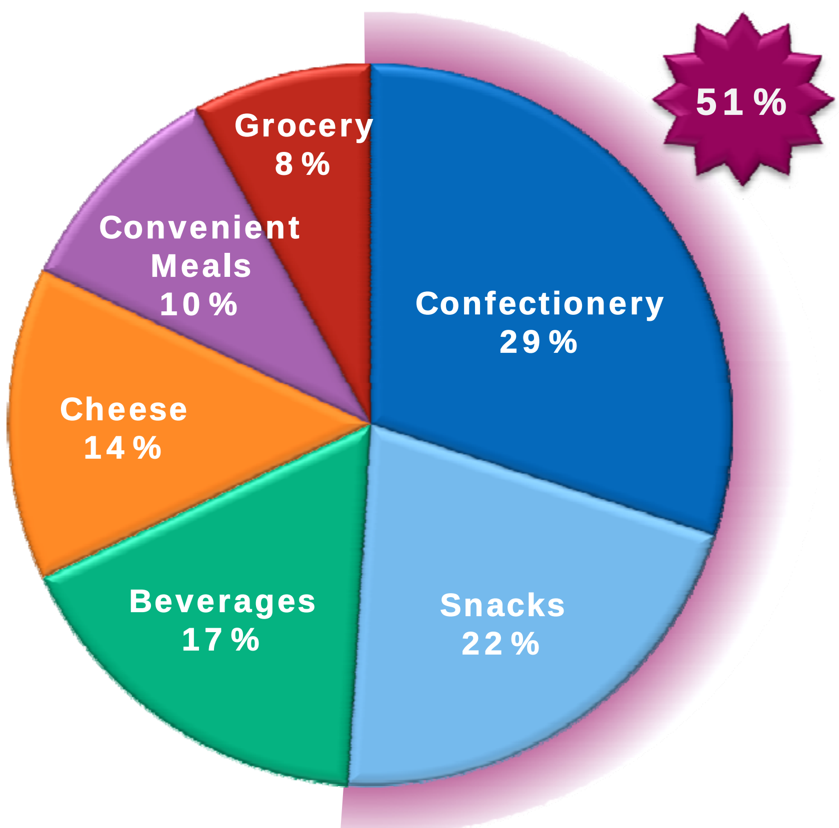
Confectionery and Snacks will now make up the majority of our portfolio

Kraft Foods 2006[(1)]



2006 Net Revenues
$34 billion

New Kraft Foods[(2)]



2009 Pro Forma Net Revenues
$48 billion

(1) As originally reported in the Kraft Foods 2006 Form 10-K filed with the SEC on March 1, 2007. Amounts have not be revised to reflect the current Kraft Foods structure and accordingly are not in line with current presentation.

(2) Pro Forma amounts are based on the acquisition of Cadbury and the divestiture of the Pizza business.

11 billion-dollar brands

Cadbury
Milka
Trident

LU
OREO
NABISCO

Maxwell House
JACOBS
KRAFT
KRAFT PHILADELPHIA
Oscar Mayer

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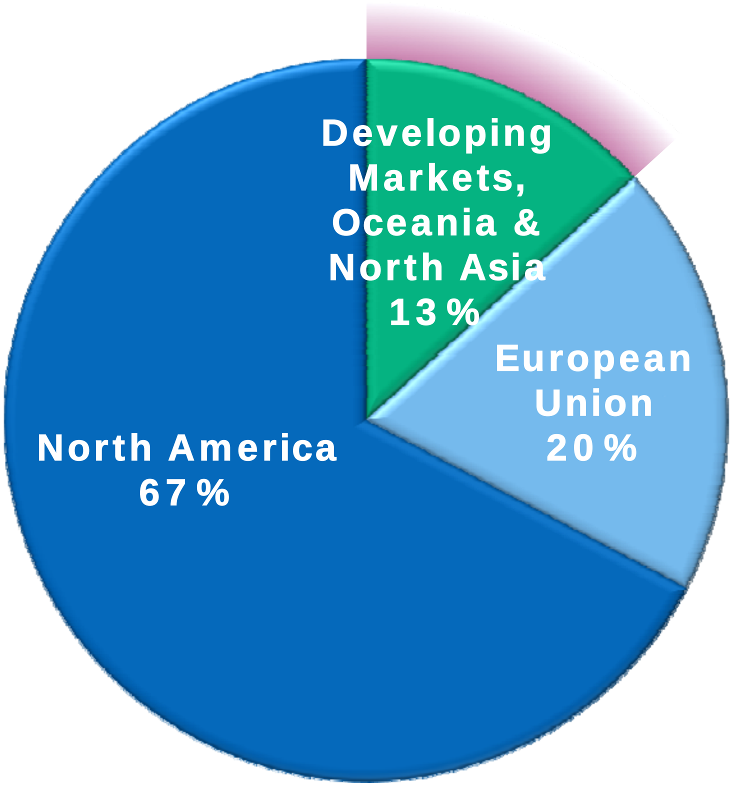
80% of revenues from No. 1 share positions

More than half of our business now outside North America

Kraft Foods 2006[1]



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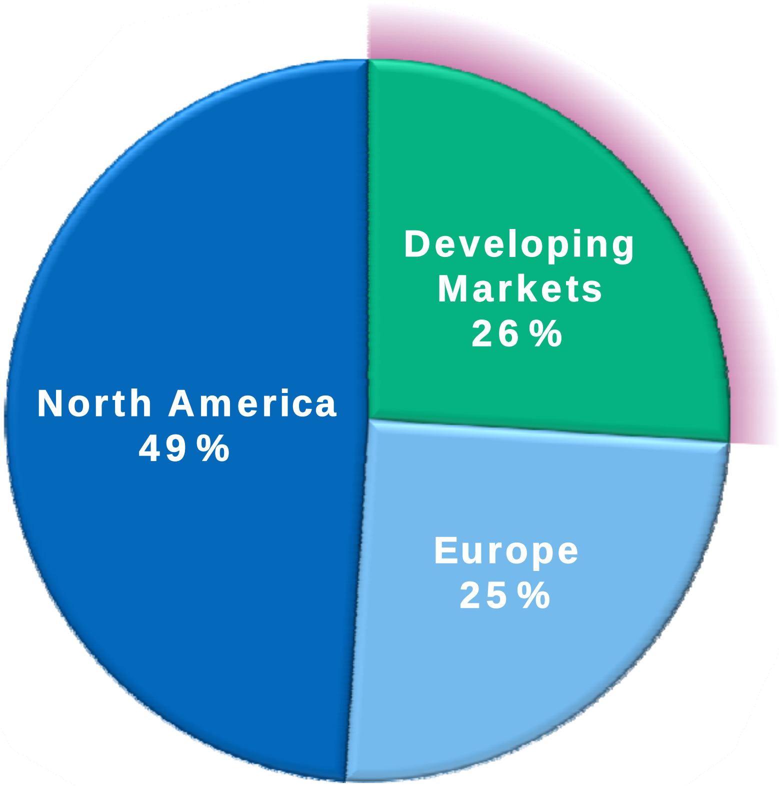

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A highly complementary footprint will grow our brands in key developing markets

2009 Net Revenues
(in millions, rounded)

	Kraft Foods	Cadbury	Combined
Brazil	$1,125	$375	$1,500
Russia	$800	$250	$1,050
India	NM	$400	$400
China	$450	$50	$500
Mexico	$325	$425	$750
Argentina	$400	$125	$525
South Africa	$75	$350	$425
Turkey	$150	$250	$400

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We will also benefit from complementary strengths in sales and distribution

Modern Trade Channels	Instant Consumption Channels
kraft foods	Cadbury

We will leverage our position as the global sweet snacks leader

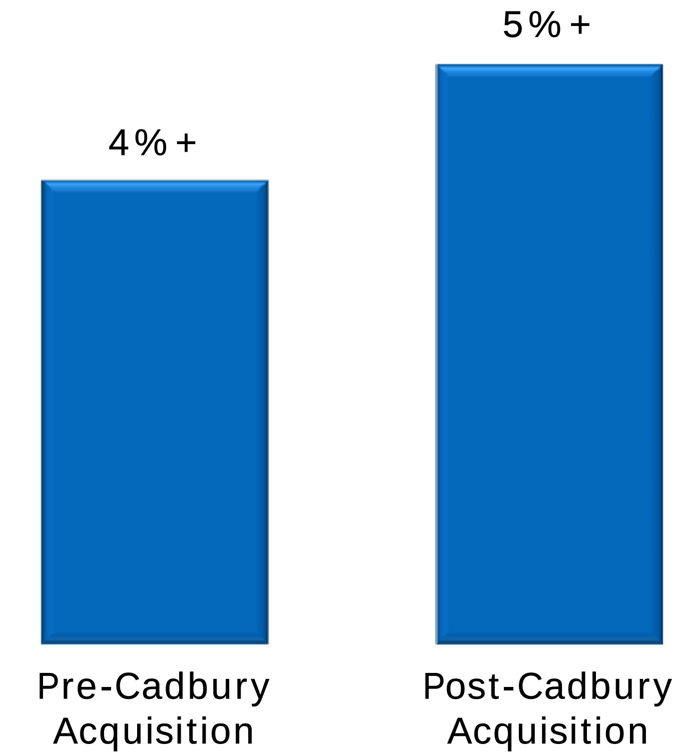
			Developing Markets				
	North America	Europe	Latin America	Asia Pacific	Eastern Europe	Middle East & Africa	**Global**
Biscuits	#1	#1	#2	#1	#1	#1	**#1**
Chocolate	NM	#1	#2	#1	#1	#1	**#1**
Gum	#2	#2	#1	#3	#2	#1	**#2**
Sugar Confectionery	#3	#1	#2	#2	NM	#2	**#1**

Source: Euromonitor Value Shares 2008

Organic revenue growth will accelerate as we integrate

- Significant revenue synergies
- Focusing investments on growth categories
- Increasing footprint in developing markets
- Expanding presence in growing trade channels

Long-Term Organic Net Revenue Growth



(1) Excludes the impacts of acquisitions, divestitures and currency.

A strong pipeline of cost-savings initiatives will accelerate margin expansion

- Executing existing Kraft Foods and Cadbury programs
  - End-to-End Productivity
    - Procurement
    - Manufacturing
    - Customer Service & Logistics
  - Overhead Cost Reset
    - North America: Zero Overhead Growth (ZOG)
    - Europe: Negative Overhead Growth (NOG)
    - Developing Markets: Half Overhead Growth (HOG)
  - Average annual spend of $200-$250 million
    - Embedded in earnings as ongoing cost of doing business

A strong pipeline of cost-savings initiatives will accelerate margin expansion

- Executing existing Kraft Foods and Cadbury programs

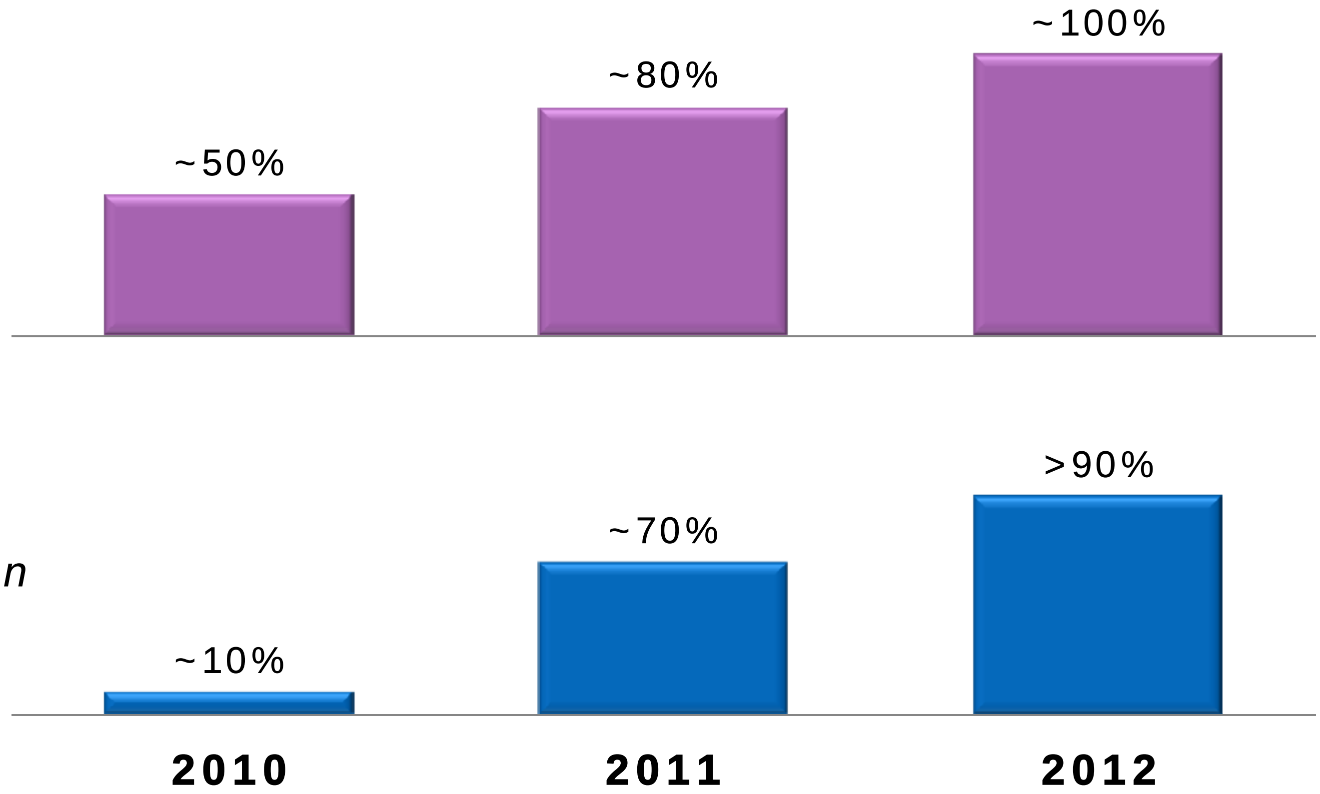
- Delivering pre-tax cost synergies of at least $675 million from integration
  - $300 million of operational synergies
  - $250 million of general and administrative synergies
  - $125 million of marketing and selling synergies

Upfront spending followed by substantial cost savings in 2011, 2012

Pre-Tax Integration Costs / Cost Synergies

Integration Costs
Total = $1.3 billion
(Cumulative)

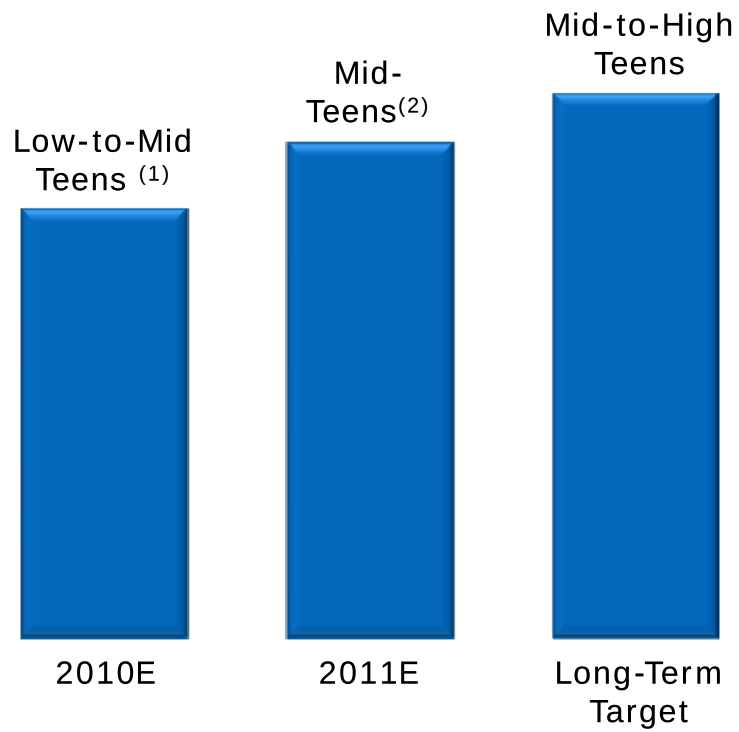
Cost Savings
Total = $675 million
(Cumulative P&L Impact)



Driving growth, leveraging scale will accelerate margin expansion

- Focusing brand investments to improve portfolio mix
- Driving productivity savings through greater scale
- Leveraging overhead costs to further expand margins
- Reinvesting portion of savings in incremental brand support

Operating Income Margin



(1) Excludes costs related to: the integration of Cadbury; acquisition-related fees, including transaction advisory fees and stamp taxes; and the impact of the Cadbury inventory revaluation.
(2) Excludes costs related to the integration of Cadbury.

We are well positioned for sustainable, profitable, top-tier growth

- Driving high quality organic revenue growth
- Executing a strong pipeline of cost-savings initiatives
- Increasing investment in sales, R&D, brand equities

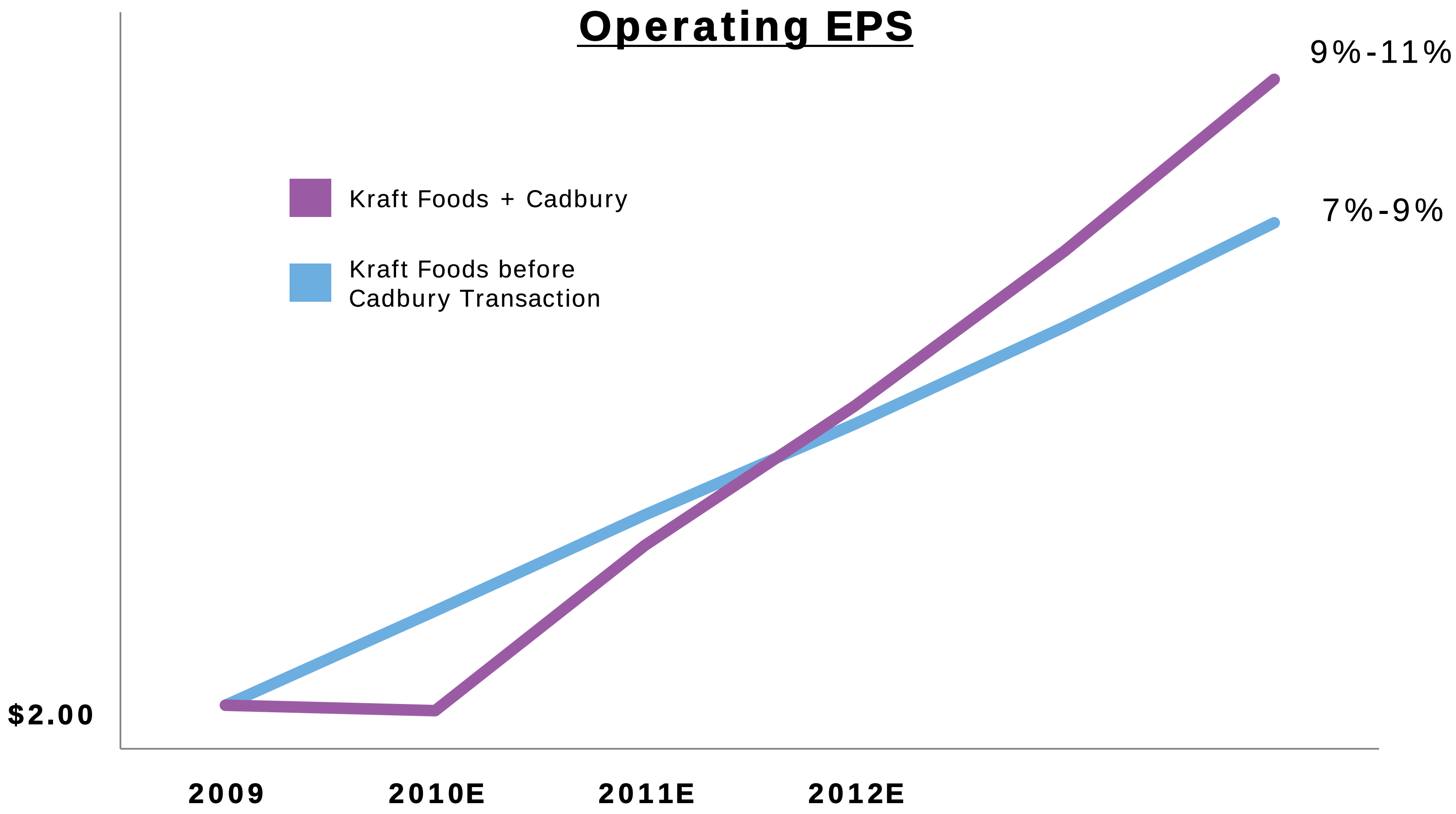
Targets

Organic revenue growth of 5%+

Profit margins to the mid-to-high teens

EPS growth of 9%-11%

Our transformation will change our earnings trajectory



Building a global powerhouse

- Built solid sustainable momentum in base business
- Reshaped portfolio for top-tier performance
- Laying solid foundation to accelerate growth

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GAAP to Non-GAAP Reconciliation

Net Revenues Growth
(Unaudited)

	Kraft Foods Inc.				
	As Reported (GAAP)[1]	Impact of Divestitures / Other	Impact of Acquisitions	Impact of Currency	Organic (Non-GAAP)
For the Twelve Months Ended:					
December 31, 2007	8.6%	(0.6)pp	0.8pp	3.1pp	5.3%
December 31, 2008	16.9%	(0.8)pp	8.9pp	2.0pp	6.8%
December 31, 2009	(3.7)%	(0.7)pp	0.0pp	(4.5)pp	1.5%
Compound Annual Growth Rate, 2006 - 2009:					**4.5%**

[1] Includes the results of the frozen pizza business

GAAP to Non-GAAP Reconciliation

Free Cash Flow as a Percentage of Net Earnings

($ in millions, except percentages) (Unaudited)

	For the Twelve Months Ended December 31,	
	2006	2009
Net Cash Provided by Operating Activities (GAAP)	$ 3,720	$ 5,084
Capital Expenditures	(1,169)	(1,330)
Free Cash Flow (Non-GAAP)	$ 2,551	$ 3,754
Net Earnings Attributable to Kraft [1]	$ 3,060	$ 3,021
Free Cash Flow / Net Earnings (Non-GAAP)	**83.4%**	**124.3%**

[1] Includes the results of the frozen pizza business