



December 13, 2010

Kraft Foods Announces Total Consideration And Tender Offer Consideration In Respect Of Its Previously Announced Cash Debt Tender Offers

NORTHFIELD, Ill., Dec. 13, 2010 /PRNewswire via COMTEX/ -- Kraft Foods Inc. (NYSE: KFT) announced today the Total Consideration (as defined below) and Tender Offer Consideration (as defined below) in respect of its previously announced cash tender offers (the "Tender Offers") for up to \$1,500,000,000 aggregate principal amount of its 5.625% Notes due 2011 (the "2011 Notes") and its 6.25% Notes due 2012 (the "2012 Notes" and, together with the 2011 Notes, the "Notes"). The terms and conditions of the Tender Offers are set forth in Kraft Foods' Offer to Purchase dated November 29, 2010, as amended (the "Offer to Purchase"), and the related Letter of Transmittal.

The "Total Consideration" for each \$1,000 principal amount of Notes validly tendered at or prior to the early tender date of 5:00 p.m. New York City time on December 10, 2010 (the "Early Tender Date") and accepted for purchase pursuant to the Tender Offers and the "Tender Offer Consideration" for each \$1,000 principal amount of Notes validly tendered after the Early Tender Date but at or prior to the Expiration Date (as defined below) and accepted for purchase pursuant to the Tender Offers, are set forth in the table below. The Total Consideration for each \$1,000 principal amount of Notes validly tendered at or prior to the Early Tender Date and accepted for purchase pursuant to the Tender Offers was determined by reference to the applicable fixed spread specified in the table below for the Notes over the yield based on the bid-side price of the applicable Reference U.S. Treasury Security specified in the table below, as calculated by the dealer managers for the Tender Offers at 2:00 p.m., New York City time, today. The Total Consideration includes the early tender premium of \$30 per \$1,000 principal amount of Notes. Holders of Notes who validly tender their Notes after the Early Tender Date but at or prior to the Expiration Date and whose Notes are accepted for purchase will receive the applicable Tender Offer Consideration, namely the Total Consideration less the early tender premium of \$30 per \$1,000 principal amount of Notes.

Title of Security	CUSIP Number	Principal Amount Outstanding	Maximum Tender Amount	Reference U.S. Treasury Security	Reference Yield	Fixed Spread	Total Consideration (1)	Tender Offer Consideration(1)
5.625% Notes due 2011	50075NAB0	\$2.0 billion	\$900 million	1.00% U.S. Treasury Note due October 31, 2011	0.305%	15 bps	\$1,043.23	\$1,013.23
6.25% Notes due 2012	50075NAH7	\$1.5 billion	\$600 million	0.75% U.S. Treasury Note due May 31, 2012	0.452%	30 bps	\$1,077.62	\$1,047.62

(1) Per \$1,000 principal amount of Notes.

The principal amount of each series of Notes that may be purchased pursuant to the Tender Offers will not exceed the applicable maximum tender amount set forth in the table above. Because holders of each series of Notes validly tendered such Notes in an aggregate principal amount in excess of the applicable maximum tender amount, Kraft Foods will accept an amount of such Notes equal to such maximum tender amount for purchase and will pay holders of such validly tendered Notes on a pro rata basis among tendering holders of such Notes.

The Tender Offers will expire at 12:00 midnight, New York City time, on December 27, 2010 (such date and time, as it may be extended, the "Expiration Date"), unless earlier terminated. Holders of Notes who tender their Notes after the withdrawal deadline of 5:00 p.m., New York City time, on December 10, 2010 and at or prior to the Expiration Date may not withdraw their Notes except in the limited circumstances described in the Offer to Purchase.

The settlement date for Notes validly tendered at or prior to the Expiration Date will occur promptly following the Expiration Date and is expected to be December 29, 2010, assuming that the Expiration Date is not extended. In addition to the applicable Total Consideration or Tender Offer Consideration, as the case may be, accrued and unpaid interest from the applicable last interest payment date up to, but not including, the settlement date will be paid in cash on all Notes accepted for purchase in the Tender Offers.

Barclays Capital Inc. and RBS Securities Inc. are acting as the dealer managers for the Tender Offers. The information agent and depositary for the Tender Offers is Global Bondholder Services Corporation. The Tender Offers are made only by the Offer to Purchase and the related Letter of Transmittal, and the information in this news release is qualified by reference to such documents. Persons with questions regarding the Tender Offers should contact Barclays Capital Inc at (800) 438-3242

(toll-free) or (212) 528-7581 (collect) or RBS Securities Inc. at (877) 297-9832 (toll-free) or (203) 897-6145 (collect). Requests for copies of the Offer to Purchase and Letter of Transmittal should be directed to Global Bondholder Services Corporation at (866) 794-2200 (toll-free) or (212) 430-3774 (collect).

This release is for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell the Notes. The Tender Offers are not being made to holders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction in which the Tender Offers are required to be made by a licensed broker or dealer, they shall be deemed to be made by the dealer managers or any other licensed broker or dealer on behalf of Kraft Foods.

ABOUT KRAFT FOODS

Kraft Foods is building a global snacks powerhouse and an unrivaled portfolio of brands people love. With annual revenues of approximately \$48 billion, Kraft Foods is the world's second largest food company, making delicious products for billions of consumers in approximately 170 countries. The portfolio includes 11 iconic brands with revenues exceeding \$1 billion - Oreo, Nabisco and LU biscuits; Milka and Cadbury chocolates; Trident gum; Jacobs and Maxwell House coffees; Philadelphia cream cheeses; Kraft cheeses, dinners and dressings; and Oscar Mayer meats. Approximately 70 brands generate annual revenues of more than \$100 million. Kraft Foods (www.kraftfoodscompany.com; NYSE: KFT) is a member of the Dow Jones Industrial Average, Standard & Poor's 500, Dow Jones Sustainability Index and Ethibel Sustainability Index.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements including regarding the timing of the Tender Offers. The word "expect" and similar expressions are intended to identify our forward-looking statements. These forward-looking statements involve risks and uncertainties, many of which are beyond our control, and important factors could cause our actual results to differ materially from those in the forward-looking statements. For additional information on 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 registration statement on Form S-4, as amended, filed in connection with the Cadbury offer, our most recently filed Annual Report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. Kraft Foods disclaims and does not undertake any obligation to update or revise any forward-looking statement in this press release except as required by applicable law or regulation.

SOURCE: Kraft Foods Inc.