

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

---

**FORM 8-K**

---

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): August 28, 2007**

---

**KRAFT FOODS INC.**

(Exact name of registrant as specified in its charter)

---

**Virginia**  
(State or other jurisdiction  
of incorporation)

**1-16483**  
(Commission File Number)

**52-2284372**  
(I.R.S. Employer  
Identification No.)

**Three Lakes Drive, Northfield, Illinois**  
(Address of Principal executive offices)

**60093-2753**  
(Zip Code)

**Registrant's Telephone number, including area code: (847) 646-2000**

**Not Applicable**  
(Former name or former address, if changed since last report.)

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

***(b) Retirement of James P. Dollive***

On August 28, 2007, the Kraft Executive Team was advised that James P. Dollive, Executive Vice President and Chief Financial Officer was retiring. The effective date of his retirement has not yet been determined, but Mr. Dollive has indicated his willingness to assist Kraft in an orderly transition of his duties and responsibilities. Mr. Dollive's compensation will continue unchanged during the period prior to his retirement.

On August 29, 2007, we issued a press release announcing Mr. Dollive's retirement and the appointment of Timothy R. McLevish to Executive Vice President and Chief Financial Officer. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

***(c) Appointment of Timothy R. McLevish***

On August 29, 2007, we announced that Timothy R. McLevish, age 52, will become Executive Vice President and Chief Financial Officer, effective October 1, 2007. Mr. McLevish has no family relationships with any of our directors or executive officers.

Since May 2002, Mr. McLevish has been Senior Vice President and Chief Financial Officer of Ingersoll-Rand Company Limited, a diversified industrial firm. Prior to joining Ingersoll-Rand, Mr. McLevish was Vice President, Chief Financial Officer of Mead Corporation, a forest products company, which he joined in 1987 and where he held various positions of increasing responsibility, including president and general manager of Mead's Specialty Paper Division.

Information as to whether there are related persons transactions between Kraft and Mr. McLevish is not available at this time. We will file an amended Form 8-K to disclose any related persons transactions when the information is available.

***(e) Compensation Arrangement with Mr. McLevish***

Pursuant to our offer letter, (the "Offer Letter"), Mr. McLevish, will be entitled to an annual base salary of \$675,000. He will also be eligible to participate in the Kraft Management Incentive Plan (MIP), which is our annual incentive program, beginning on October 1, 2007. Mr. McLevish's annual target award opportunity under the MIP is equal to 90% of his salary, or \$607,500. The amount he receives will be pro-rated for the period beginning October 1, 2007 through December 31, 2007 and will also depend on his individual performance and Kraft's performance. Mr. McLevish is also eligible to participate in the Long-Term Incentive Plan (LTIP), which is our executive long-term cash incentive program. His target opportunity under the LTIP is equal to 150% of his average base salary during the three-year performance period. Mr. McLevish's actual award during the 2007 – 2009 performance period will be pro-rated for the period beginning on October 1, 2007 through December 31, 2009. The actual amount received under the 2007 – 2009 LTIP performance period and other subsequent three-year performance cycles will depend on Kraft's performance during each of the respective performance cycles. Mr. McLevish's target annual equity award, which will be equally divided in the form of stock options and restricted stock, is equal to \$1,475,000. His equity award is dependent upon his performance for the year. Mr. McLevish will also receive a sign-on cash bonus of \$500,000, which he will be required to repay if he resigns his employment with Kraft within a two-year period. He will also receive a sign-on restricted stock award with a grant value equal to \$1,500,000. His restricted stock award will vest one-third each year on the anniversary of the grant date, over a three-year period. In addition to the standard relocation policy benefits, Mr. McLevish will be eligible for temporary living accommodations for a period of up to seven months. Mr. McLevish is also eligible for other benefits consistent with those received by our other executives.

The foregoing description of the Offer Letter is qualified in its entirety by reference to the complete terms and conditions of the Offer Letter, which will be filed with our Form 10-Q for the quarter ended September 30, 2007.

**Item 9.01. Financial Statements and Exhibits.**

(d) The following exhibits are being filed with this Current Report on Form 8-K.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Kraft Foods Inc. Press Release, dated August 29, 2007

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KRAFT FOODS INC.

Date: September 4, 2007

/s/ Karen J. May

Name: Karen J. May

Title: Executive Vice President, Global Human Resources, Kraft Foods Inc.

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Kraft Foods Inc. Press Release, dated August 29, 2007.

Contacts: Media  
Claire Regan  
847-646-4538  
[cregan@kraft.com](mailto:cregan@kraft.com)

Investors  
Chris Jakubik  
847-646-5494  
[Chris.Jakubik@kraft.com](mailto:Chris.Jakubik@kraft.com)

**Kraft Foods Names Timothy McLevish Chief Financial Officer;  
James Dollive to Retire**

NORTHFIELD, IL, August 29, 2007 — Kraft Foods Inc. (NYSE:KFT) announced today that Timothy McLevish, 52, will become Executive Vice President and Chief Financial Officer (CFO), effective October 1, 2007. McLevish joins Kraft from Ingersoll-Rand Company Limited (NYSE:IR), where he has been Senior Vice President and CFO since 2002.

McLevish succeeds James Dollive, 56, who will be retiring after a distinguished 29-year career with Kraft. “Jim’s financial expertise and exceptional standards of ethics and integrity have earned him the respect of both his Kraft colleagues and the financial community,” said Irene Rosenfeld, Kraft Chairman and CEO. “Over the course of Jim’s career, he has helped Kraft achieve many significant milestones, including our initial public offering in 2001 and our recent transition to a fully independent company. We deeply appreciate his many contributions and wish him the best in his well-earned retirement.”

In welcoming McLevish to Kraft, Rosenfeld said, “Tim is an exceptional executive who combines a distinguished career in finance, accounting and public company governance with experience in line management, strategic planning and mergers and acquisitions. He is a seasoned CFO, with an impressive track record of leading financial operations for global companies with diversified portfolios. Tim’s extensive experience in driving outstanding shareholder returns and in communicating with investors will be invaluable as we capitalize on our opportunities as an independent company and restore Kraft to reliable growth.”

McLevish's career has spanned leadership roles in every financial discipline and includes extensive operations management and oversight of administrative systems and business services. Prior to joining Ingersoll-Rand, McLevish was at the Mead Corporation, which he joined in 1987 and thereafter rose through a series of positions, culminating in his appointment as CFO in 1999. While at Mead, he also served in a number of general management positions, including president and general manager of Mead's Specialty Paper Division.

As Kraft's CFO, McLevish will lead the company's finance function and will be responsible for its financial operations, including accounting and reporting, financial planning and analysis, treasury, tax, audit, and investor relations.

McLevish holds a bachelor's degree in accounting from the University of Minnesota and an MBA from Harvard Business School. In addition, he is a certified public accountant.

"I'm extremely pleased to join the Kraft team and look forward to working with the many outstanding people who will be my new colleagues," McLevish said. "There are huge opportunities for Kraft in the months and years ahead, and I'm eager to contribute to the success of this great company."

Dollive will work with McLevish to ensure an orderly transition of responsibilities.

Kraft Foods (NYSE: KFT) is one of the world's largest food and beverage companies, with annual revenues of more than \$34 billion. For over 100 years, Kraft has offered consumers delicious and wholesome foods that fit the way they live. Kraft markets a broad portfolio of iconic brands in 155 countries, including seven brands with revenue of more than \$1 billion, such as *Kraft* cheeses, dinners and dressings; *Oscar Mayer* meats; *Philadelphia* cream cheese; *Post* cereals; *Nabisco* cookies and crackers; *Jacobs* coffees and *Milka* chocolates. Kraft became a fully independent company on March 30, 2007, and is listed in the Standard & Poor's 100 and 500 indexes. The company is a member of the Dow Jones Sustainability Index and the Ethibel Sustainability Index. For more information, visit the company's website at <http://www.kraft.com>.

# #