

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): June 25, 2006

KRAFT FOODS INC.

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction
of incorporation)

001-16483
(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**

(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:

- 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 1.01. Entry into a Material Definitive Agreement.

See the discussion set forth under Item 5.02 below, which discussion is incorporated into this Item 1.01 by reference.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(b) On June 26, 2006, Kraft Foods Inc. ("Kraft") and Mr. Roger K. Deromedi, Chief Executive Officer of Kraft, announced that Mr. Deromedi had mutually agreed with the Board of Directors of Kraft (the "Board") to leave Kraft to pursue other interests.

(c)(1) On June 26, 2006, Kraft announced the appointment of Irene B. Rosenfeld as Chief Executive Officer and a director of Kraft, effective immediately.

(2) Ms. Rosenfeld, age 53, served as Chairman and Chief Executive Officer of Frito-Lay, Inc., a division of PepsiCo, Inc. ("PepsiCo"), from September 2004 until June 2006. Prior to joining PepsiCo, Ms. Rosenfeld worked for more than 20 years at Kraft.

(3) Ms. Rosenfeld's annual base salary is \$1,300,000 for 2006. In February 2007, she will receive a guaranteed bonus of \$1,950,000 under the Annual Incentive Plan and an award of \$3,250,000 under the Long Term Incentive Plan. Ms. Rosenfeld is also eligible to receive annual restricted stock awards subject to a three-year vesting period. In January 2007, she will receive an award in a range between \$3,120,000 and \$8,850,000.

Ms. Rosenfeld was awarded 387,230 restricted shares of Kraft Foods Class A Common Stock on June 27, 2006 as a sign-on bonus in recognition of equity awards that she forfeited upon leaving her previous position. This restricted stock award vests as follows: 161,346 shares on July 1, 2009 and 225,884 shares on July 1, 2011. Under certain conditions the vesting would be accelerated. In particular, vesting would be accelerated should Ms. Rosenfeld not be appointed Chairman and Chief Executive Officer prior to January 1, 2008, or if a person other than Ms. Rosenfeld is appointed to replace the current Chairman.

Ms. Rosenfeld's pension benefits will be calculated as if she had been employed continuously by the Company since 1981.

(d) As stated above, on June 26, 2006 the Board announced the appointment of Ms. Rosenfeld as Chief Executive Officer and a director of Kraft, effective immediately.

On June 26, 2006, Kraft issued a press release announcing Mr. Deromedi's departure and Ms. Rosenfeld's appointment. A copy of the press release, which is dated June 26, 2006, is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

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	Press Release dated June 26, 2006

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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.

/s/ MARC S. FIRESTONE

Name: Marc S. Firestone
Title: Executive Vice President, General
Counsel and Corporate Secretary

Date: June 29, 2006

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EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated June 26, 2006

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IRENE B. ROSENFELD NAMED
CHIEF EXECUTIVE OFFICER OF KRAFT FOODS INC.

NORTHFIELD, IL — June 26, 2006 — The Board of Directors of Kraft Foods Inc. (NYSE:KFT) today announced the appointment of Irene B. Rosenfeld as Chief Executive Officer, effective immediately, replacing Roger K. Deromedi, who has mutually agreed with the Board to leave the Company to pursue other interests. Ms. Rosenfeld was most recently Chairman and Chief Executive Officer of Frito-Lay, a division of PepsiCo.

“The entire Board is delighted to have Irene in place. While the fundamentals of the business continue to improve, we are confident that Irene will accelerate the execution of Kraft’s growth strategy, build value for shareholders, and lead Kraft when it becomes a fully independent company,” said Louis C. Camilleri, Chairman of the Board of Kraft Foods.

Mr. Camilleri said, “Irene is one of the most talented and respected executives in the consumer goods industry and we are thrilled that she is coming home to Kraft. She has repeatedly demonstrated her ability to drive innovation throughout her career. Her decisiveness, personal warmth, and emotional intelligence are invaluable assets. Irene has a wealth of experience in all of Kraft’s businesses and is uniquely qualified to lead Kraft during these challenging and exciting times.”

“I am deeply honored to lead Kraft in the years ahead,” said Ms. Rosenfeld. “I genuinely love this Company, its brands, its people, and its values. I believe that we have a very bright future ahead of us and look forward to working with the Board and our management team to assure Kraft’s leadership in the food and beverage industry.”

Prior to joining Frito-Lay in 2004, Ms. Rosenfeld spent more than 20 years with Kraft and General Foods. She held a number of key management positions in the United States, Canada and Mexico, culminating in her appointment as President of Kraft’s North American business. Among her many accomplishments at Kraft, Ms. Rosenfeld led the highly successful integration of the \$19 billion Nabisco acquisition as well as the restructuring and turnaround of a number of key businesses.

Ms. Rosenfeld holds a PhD in Marketing and Statistics (1980), an MS in Business (1977) and a BA in Psychology (1975) from Cornell University. She currently serves on its Board of Trustees.

Regarding Mr. Deromedi, Mr. Camilleri said, “As CEO of Kraft, Roger brought a global perspective, emphasized a commitment to acting responsibly, and charted a course for growth that, I believe, will benefit Kraft for years to come. We thank him for his hard work and wish him well for the future,” said Mr. Camilleri.

Kraft Foods (NYSE:KFT) is the world's second-largest food and beverage company. For more than 100 years, we've been dedicated to helping people around the world eat and live better. Hundreds of millions of times a day, in more than 150 countries, consumers reach for their favorite Kraft brands including Kraft cheeses and dinners, Jacobs, Gevalia and Maxwell House coffees, Oscar Mayer meats, DiGiorno pizzas, Oreo cookies, Ritz and Wheat Thins crackers and chips, Philadelphia cream cheese, Milka and Cote d'Or chocolates, Honey Bunches of Oats cereals, Good Seasons salad dressings and Tang refreshment beverage. They've also started adding our Tassimo hot beverage system, South Beach Diet line and a growing range of better-for-you Sensible Solution products to their shopping baskets, continually expanding their list of Kraft favorites.

For more information, please visit our website at www.kraft.com.

Note: A photograph and bio of Ms. Rosenfeld are available upon request.

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