

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

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported): December 12, 2007**

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**KRAFT FOODS INC.**

(Exact name of registrant as specified in its charter)

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**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.)

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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))
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### Item 8.01 Other Events.

On December 12, 2007, Kraft Foods Inc. (the “Company” or “Kraft”) expects to issue \$2,000,000,000 aggregate principal amount of its 6.125% Notes due in 2018 (the “2018 Notes”) and \$1,000,000,000 aggregate principal amount of its 6.875% Notes due in 2038 (the “2038 Notes” and collectively with the 2018 Notes, the “Notes”). The Notes will be issued pursuant to an Indenture (the “Indenture”) dated as of October 17, 2001, by and between the Company and The Bank of New York (as successor trustee to The Chase Manhattan Bank), as trustee, as supplemented by an Officers’ Certificate, dated December 12, 2007 (the “Officers’ Certificate”).

In connection with the issuance of the Notes, on December 5, 2007, the Company entered into a Terms Agreement (the “Terms Agreement”) with Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities Inc. and UBS Securities LLC, as representatives of the several underwriters named therein (the “Underwriters”), pursuant to which the Company agreed to issue and sell the Notes to the Underwriters. The provisions of an Amended and Restated Underwriting Agreement dated as of December 5, 2007 (the “Underwriting Agreement”) are incorporated by reference in the Terms Agreement. Copies of the Underwriting Agreement and Terms Agreement are attached to this report as Exhibits 1.1 and 1.2, respectively.

The Company has filed with the Securities and Exchange Commission (the “Commission”) a Prospectus dated December 4, 2007 and a Prospectus Supplement (the “Prospectus Supplement”) dated December 5, 2007 (Registration No. 333-147829) in connection with the public offering of the Notes.

The Notes are subject to certain customary covenants, including limitations on the Company’s ability, with significant exceptions, to incur debt secured by liens and engage in sale/leaseback transactions. In addition, upon the occurrence of both (i) a change of control of the Company and (ii) a downgrade of the Notes below an investment grade rating by each of Moody’s Investors Service, Inc., Standard & Poor’s Ratings Services and Fitch Ratings within a specified period, the Company will be required to make an offer to purchase the Notes of each series at a price equal to 101% of the aggregate principal amount of such series, plus accrued and unpaid interest to the date of repurchase as and to the extent set forth in the Prospectus Supplement. The Company may redeem all, but not part, of the Notes of each series upon the occurrence of specified tax events as described in the Prospectus Supplement.

Interest on the Notes is payable semiannually on February 1 and August 1, commencing August 1, 2008, to holders of record on the preceding January 15 or July 15, as the case may be. Interest on the Notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

The 2018 Notes will mature on February 1, 2018 and the 2038 Notes will mature on February 1, 2038.

The Notes will be the Company’s senior unsecured obligations and will rank equally in right of payment with all of the Company’s existing and future senior unsecured indebtedness.

In connection with the issuance of the Notes, Sidley Austin LLP is providing Kraft with the legal opinion attached to this report as Exhibit 5.1.

For a complete description of the terms and conditions of the Underwriting Agreement, the Terms Agreement and the Notes, please refer to such agreements, the Officers’ Certificate, the form of 2018 Notes and the form of 2038 Notes, each of which is incorporated herein by reference and attached to this report as Exhibits 1.1, 1.2, 4.1(a), 4.1(b) and 4.1(c), respectively.

Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory, commercial and investment banking services for the Company, for which they received or will receive customary fees and expenses. Certain affiliates of the underwriters are lenders under Kraft’s \$4.5 billion five-year revolving credit agreement, dated as of April 15, 2005 (the “five-year agreement”) and Kraft’s €5.3 billion bridge loan agreement, dated as of October 12, 2007 (the “Danone Biscuit Bridge Facility”). Credit Suisse, Cayman Islands Branch, an affiliate of Credit Suisse Securities (USA) LLC, and J.P. Morgan Securities Inc. are joint lead arrangers and

bookrunners under the five-year agreement, and JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities Inc., is administrative agent under the five-year agreement. HSBC Bank USA, National Association, an affiliate of HSBC Securities (USA) Inc., and UBS Securities LLC are arrangers and documentation agents under the five-year agreement. Credit Suisse, Cayman Islands Branch is syndication agent under the five-year agreement. Credit Suisse, Cayman Islands Branch, Goldman Sachs Credit Partners L.P., an affiliate of Goldman, Sachs & Co., HSBC Bank USA, National Association, JPMorgan Chase Bank, N.A., UBS Securities LLC and Société Générale, an affiliate of SG Americas Securities, LLC, are joint lead arrangers and joint bookrunners under the Danone Biscuit Bridge Facility. JPMorgan Chase Bank, N.A. is administrative agent under the Danone Biscuit Bridge Facility. Goldman Sachs Credit Partners L.P. is a syndication agent under the Danone Biscuit Bridge Facility. Credit Suisse, Cayman Islands Branch, HSBC Bank USA, National Association, UBS Securities LLC and Société Générale are documentation agents under the Danone Biscuit Bridge Facility. Goldman, Sachs & Co. acted as a financial advisor to Kraft in connection with its acquisition of Groupe Danone's global biscuit business. Goldman, Sachs & Co. is acting as a financial advisor to Kraft in connection with Kraft's proposed transaction to merge its *Post* cereals business into Ralcorp Holdings, Inc. Certain of the underwriters and their respective affiliates act as agents and/or brokers in connection with Kraft's share repurchase program.

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

(d) Exhibits.

The following exhibits are filed with this Form 8-K:

<b>Exhibit Number</b>	<b>Description</b>
1.1	Amended and Restated Underwriting Agreement, dated December 5, 2007
1.2	Terms Agreement, dated December 5, 2007, among the Company and Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities Inc. and UBS Securities LLC, as representatives of the several underwriters named therein
4.1(a)	Officers' Certificate, dated December 12, 2007, establishing the terms and forms of the Notes
4.1(b)	Specimen of 6.125% Notes due 2018
4.1(c)	Specimen of 6.875% Notes due 2038
5.1	Opinion dated December 12, 2007 of Sidley Austin LLP

**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: December 12, 2007

/s/ TIMOTHY R. MCLEVISH

Name: Timothy R. McLevish

Title: Executive Vice President and Chief Financial Officer

## EXHIBIT INDEX

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KRAFT FOODS INC.  
DEBT SECURITIES

December 5, 2007

AMENDED AND RESTATED UNDERWRITING AGREEMENT

1. Introductory. Kraft Foods Inc., a Virginia corporation (the “Company”), proposes to issue and sell from time to time certain of its unsecured debt securities, in an aggregate principal amount expressed in U.S. dollars or in such foreign currencies or currency units as the Company shall designate at the time of the offering. Such debt securities, registered under the registration statement referred to in Section 2(a), are hereinafter referred to as “Registered Securities.” Registered Securities involved in any offering referred to below are hereinafter collectively referred to as “Offered Securities” and such debt securities that are Offered Securities are hereinafter referred to as “Offered Debt Securities”. The Offered Debt Securities will be issued under an Indenture, dated as of October 17, 2001 (the “Indenture”), between the Company and The Bank of New York (as successor to The Chase Manhattan Bank), as Trustee, specified in the Terms Agreement referred to in Section 3, in one or more series or issues, which may vary as to interest rates, maturities, redemption provisions, conversion provisions, exercise prices, expiration dates, selling prices, currency or currency units and other terms, with, in each case, all such terms for any particular Offered Securities being determined at the time of sale. Particular Offered Securities will be sold pursuant to a Terms Agreement, for resale in accordance with terms of offering determined at the time of sale.

The firm or firms which agree to purchase the Offered Securities are hereinafter referred to as the “Underwriters” of such Offered Securities, and the representative or representatives of the Underwriters, if any, specified in a Terms Agreement referred to in Section 3 are hereinafter referred to as the “Representatives”; provided, however, that if the Terms Agreement does not specify any representative of the Underwriters, the term “Representatives”, as used in this Agreement (other than in Section 2(b), in the second sentence of Section 3 and the first and third use of the term “Representatives” in Section 6, where, in each case, the reference to the terms “through the Representatives” or “the names of any Representatives”, as the case may be, if the Terms Agreement does not specify any representatives of the Underwriters, shall be ignored), shall mean the Underwriters.

2. Representations and Warranties of the Company. The Company, as of the date of each Terms Agreement referred to in Section 3, represents and warrants to, and agrees with, each Underwriter that, except as disclosed in the Pricing Prospectus and the Prospectus (as hereinafter defined):

(a) The Company has filed with the Securities and Exchange Commission (the “Commission”), pursuant to the Securities Act of 1933, as amended (the “Act”) and the rules and regulations of the Commission (the “Rules and Regulations”), an “automatic shelf registration statement” as defined under Rule 405 under the Act on Form S-3 (File No. 333-147829) in respect of the Registered Securities not earlier than three years prior to the date of the applicable Terms Agreement; such registration statement, and any post-effective amendment thereto became effective on filing; and no stop order suspending the

effectiveness of such registration statement or any part thereof has been issued and no proceeding for that purpose has been initiated or threatened by the Commission, and no notice of objection by the Commission to the use of such registration statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Act has been received by the Company. Such registration statement, as amended at the time such registration statement or part thereof became effective and at the time of any Terms Agreement referred to in Section 3, in the form then filed with the Commission, including any documents incorporated by reference therein and any prospectus or prospectus supplement deemed or retroactively deemed to be a part thereof that has not been superseded or modified, is or are hereinafter referred to as the "Registration Statement". For purposes of the definition of "Registration Statement," information contained in a form of prospectus or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. The base prospectus filed as part of the Registration Statement, in the form in which it has most recently been filed with the Commission on or prior to the date of the applicable Terms Agreement is hereinafter referred to as the "Base Prospectus." "Preliminary Prospectus" means any preliminary prospectus included in the Registration Statement; the Preliminary Prospectus relating to the Securities that was included in the Registration Statement immediately prior to the Applicable Time (as defined below) is hereinafter called the "Pricing Prospectus"; and the final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, including the Base Prospectus, is hereinafter called the "Prospectus." "Issuer Free Writing Prospectus" means any "issuer free writing prospectus," as defined in Rule 433 under the Act. Any reference herein to the Registration Statement, Prospectus, Pricing Prospectus or Preliminary Prospectus shall be deemed to include all documents incorporated therein by reference pursuant to the requirements of Item 12 of Form S-3 under the Act which have been filed pursuant to the Securities Exchange Act of 1934, as amended prior to the execution of the applicable Terms Agreement (the "Exchange Act").

No order preventing or suspending the use of any Preliminary Prospectus or any Issuer Free Writing Prospectus has been issued by the Commission, and on the effective date of the registration statement or statements relating to the Registered Securities, such registration statement or statements conformed, and any further amendments or supplements to the Registration Statement will conform, in all material respects to the requirements of the Act, the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") and the Rules and Regulations and did not, and will not as of the applicable effective date as to each part of the Registration Statement, include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and on the date of each Terms Agreement, on the date when filed and on each Closing Date, each as referred to in Section 3, the Registration Statement, the Pricing Disclosure Package (as defined below) and each electronic roadshow used by the Company when taken together as a whole with the Pricing Disclosure Package and the Prospectus, and any further amendments or supplements thereto, will conform in all material respects to the requirements of the Act, the Trust Indenture Act and the Rules and Regulations, and neither the Registration Statement nor the Prospectus will include any untrue statement of a material fact or omit to state any material fact required to be stated therein

or necessary to make the statements therein not misleading, except that the foregoing does not apply to (i) that part of the Registration Statement which constitutes the Statement of Eligibility and Qualification (Form T-1) under the Trust Indenture Act of the Trustee and (ii) statements in or omissions from any of such documents in reliance upon and in conformity with Underwriter Information (as hereinafter defined).

(b) For the purposes of this Agreement the “Applicable Time” shall be the time specified in the relevant Terms Agreement; the Pricing Prospectus as supplemented by the final term sheet prepared pursuant to Section 4 hereof, taken together (collectively, the “Pricing Disclosure Package”) as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and each Issuer Free Writing Prospectus listed on Schedule B hereto does not conflict with the information contained in the Registration Statement, the Pricing Prospectus or the Prospectus, and each such Issuer Free Writing Prospectus, as supplemented by and taken together with the Pricing Disclosure Package as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to statements or omissions made in the Issuer Free Writing Prospectus in reliance upon and in conformity with Underwriter Information.

(c) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the Commonwealth of Virginia, with power and authority to own and lease its properties and conduct its business as described in the Pricing Prospectus and the Prospectus; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where such failure to be so qualified to do business or be in good standing would not reasonably be expected to individually or in the aggregate have a material adverse effect on the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole (“Material Adverse Effect”).

(d) Each subsidiary of the Company that is a “significant subsidiary” as defined in Rule 1-02(w) of Regulation S-X under the Act (the “Significant Subsidiaries”) has been duly incorporated or organized, as the case may be, and is validly existing as a corporation or limited liability company, as the case may be, in good standing under the laws of the jurisdiction of its incorporation or organization, with power and authority to own and lease its properties and conduct its business as described in the Pricing Prospectus and the Prospectus; and each Significant Subsidiary is duly qualified to do business as a foreign corporation or limited liability company, as the case may be, in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification; except where the failure to be so qualified or be in good standing would not reasonably be expected to individually or in the aggregate have a Material Adverse Effect; and all of the issued and outstanding capital stock or other equity interests of each Significant Subsidiary has been duly authorized for issuance and validly issued and is fully paid and nonassessable; and the capital stock or limited liability company interests of each Significant Subsidiary owned by the Company, directly or through subsidiaries, is owned free from claims, liens, encumbrances and defects.



(f) The Indenture has been duly authorized and the Indenture has been duly qualified under the Trust Indenture Act; the Offered Securities have been duly authorized for issuance; and when the Offered Securities are delivered and paid for pursuant to the Terms Agreement on the Closing Date, the Indenture will have been duly executed and delivered, such Offered Securities will have been duly executed, authenticated, issued and delivered, and the Registered Securities conform, and, when so issued and delivered and sold, will conform in all material respects to the description thereof contained in the Pricing Prospectus and the Prospectus; the Indenture and the Registered Securities constitute and when executed, authenticated, issued and delivered in the manner provided in the Indenture, will constitute valid and binding obligations of the Company, enforceable in accordance with their terms, except to the extent enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws of general applicability relating to or affecting the enforcement of creditors' rights and by the effect of general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

(g) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by the Terms Agreement (including the provisions of this Agreement) in connection with the issuance and sale of the Offered Securities by the Company, except (i) such as have been obtained or made, as the case may be, (ii) such as may be required under applicable state securities laws and (iii) such as may be required under applicable foreign securities laws.

(h) The execution, delivery and performance of the Indenture, the Terms Agreement (including the provisions of this Agreement) and the issuance and sale of the Offered Securities and compliance with the terms and provisions thereof will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, or result in the imposition of any lien, charge or encumbrance upon any property or assets of the Company or any subsidiary of the Company pursuant to (i) any law, any statute, any rule, regulation or order of any governmental agency or body or any court having jurisdiction over the Company or any subsidiary of the Company or any of their properties, (ii) any agreement or instrument to which the Company or any such subsidiary is a party or by which the Company or any such subsidiary is bound or to which any of the properties of the Company or any such subsidiary is subject, or (iii) the charter or by-laws of the Company or any such Significant Subsidiary, which breach, violation, default, lien, charge or encumbrance, in the case of clauses (i) and (ii) only, would have a Material Adverse Effect or have a material adverse effect on the transactions contemplated by the Terms Agreement (including the provisions of this Agreement), and the Company has full power and authority to authorize, issue and sell the Offered Securities as contemplated by the Terms Agreement (including the provisions of this Agreement).

(i) The Terms Agreement (including the provisions of this Agreement) has been duly authorized, executed and delivered by the Company.

(j) Except as would not individually or in the aggregate have a Material Adverse Effect, the Company and its Significant Subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them, in each case free from liens, encumbrances and defects and the Company and its Significant Subsidiaries hold any leased real or personal property under valid and enforceable leases with no exceptions; and the Company and the Significant Subsidiaries own or lease all such properties as are necessary to the conduct of their operations as presently conducted.

(k) The Company and its Significant Subsidiaries possess adequate certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by them and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Company or any of its Significant Subsidiaries, would reasonably be expected to individually or in the aggregate have a Material Adverse Effect.

(l) No labor dispute with the employees of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent that the Company reasonably expects to have a Material Adverse Effect.

(m) Except as would not reasonably be expected to individually or in the aggregate have a Material Adverse Effect, the Company and its subsidiaries own, possess (through license or otherwise) or can acquire on reasonable terms, trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, "Intellectual Property Rights") necessary to conduct the business now operated by them, or presently employed by them, and neither the Company nor any subsidiary has received any notice of infringement of or conflict with asserted rights of others with respect to any intellectual property rights.

(n) Neither the Company nor any of its subsidiaries is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "Environmental Laws"), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate have a Material Adverse Effect; and the Company is not aware of any pending investigation which might lead to such a claim.

(o) There are no pending actions, suits or proceedings against or affecting the Company, any of its subsidiaries or any of their respective properties that individually or in the aggregate the Company reasonably expects to have a Material Adverse Effect, or would materially and adversely affect the ability of the Company to perform its obligations under the Indenture

or the Terms Agreement (including the provisions of this Agreement), or which are otherwise material in the context of the sale of the Offered Securities; and, to the Company's knowledge, no such actions, suits or proceedings are threatened or contemplated.

(p) The financial statements included in the Registration Statement, the Pricing Prospectus and the Prospectus present fairly, in all material respects, the combined or consolidated financial position of the Company and its subsidiaries as of the dates shown and their results of operations and cash flows for the periods shown and all such financial statements have been prepared in conformity with the generally accepted accounting principles in the United States applied on a consistent basis during the periods involved (except for changes required by changes in such accounting principles) and comply as to form with the applicable accounting requirements of the Act; any schedules included in the Registration Statement present fairly, in all material respects, the information required to be stated therein; the summary and selected financial data included in the Registration Statement, the Pricing Prospectus and the Prospectus, if any, present fairly, in all material respects, on the basis stated in the Registration Statement, the Pricing Prospectus and the Prospectus, the information shown therein; and with respect to any pro forma financial statements included in the Registration Statement, the Pricing Prospectus and the Prospectus, such pro forma financial statements comply as to form in all material respects with Regulation S-X under the Act, and the assumptions used in preparing such pro forma financial statements provide a reasonable basis for presenting the significant effects directly attributable to the transactions or events described therein, the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma columns therein reflect the proper application of those adjustments to the corresponding historical financial statement amounts.

(q) Since the date of the latest audited financial statements included or incorporated by reference in the Pricing Prospectus and the Prospectus, there has been no material adverse change, nor any development or event reasonably likely to have a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole, and there has been no extraordinary dividend or extraordinary distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(r) The Company is not and, after giving effect to the offering and sale of the Offered Securities and the application of the proceeds thereof as described in the Pricing Prospectus and the Prospectus, will not be an "investment company" as defined in the Investment Company Act of 1940, as amended (the "1940 Act").

(s) The Company maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that complies with the requirements of the Exchange Act and has been designed by the Company's principal executive officer and principal financial officer, or under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company has carried out evaluations of the effectiveness of its internal

control over financial reporting as required by Rule 13a-15 under the Exchange Act and as of date of the latest audited financial statements included or incorporated by reference in the Pricing Prospectus or the Prospectus such internal control over financial reporting is effective, and the Company is not aware of any material weaknesses in its internal control over financial reporting.

(t) Except as disclosed in the Pricing Prospectus and the Prospectus, since the date of the latest audited financial statements included or incorporated by reference in the Pricing Prospectus and the Prospectus, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(u) The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) that comply with the requirements of the Exchange Act; such disclosure controls and procedures have been designed to ensure that material information relating to the Company and its subsidiaries is made known to the Company's principal executive officer and principal financial officer by others within those entities; such disclosure controls and procedures are effective as of the date of the latest unaudited financial statements included or incorporated by reference in the Pricing Prospectus and the Prospectus; and since such date, there has been no change to the Company's disclosure controls and procedures that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures.

(v) The documents incorporated by reference in the Registration Statement, the Pricing Prospectus and the Prospectus on or before the Closing Date, when they were or are filed with the Commission, conformed or will conform, as the case may be, in all material respects to the requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder.

(w) (A)(i) At the time of filing the Registration Statement, (ii) at the time of the most recent amendment thereto for the purposes of complying with Section 10(a)(3) of the Act (whether such amendment was by post-effective amendment, incorporated report filed pursuant to Section 13 or 15(d) of the Exchange Act or form of prospectus) and (iii) at the time the Company or any person acting on its behalf (within the meaning, for this clause only, of Rule 163(c) under the Act) made any offer relating to the Offered Securities in reliance on the exemption of Rule 163 under the Act, the Company was a "well-known seasoned issuer" as defined in Rule 405 under the Act; and (B) at the earliest time after the filing of the Registration Statement that the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) under the Act) of the Registered Securities, the Company was not an "ineligible issuer" as defined under Rule 405 under the Act.

(x) There is and has been no failure on the part of the Company and any of the Company's directors or officers, in their capacities as such, to comply in all material respects with the provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act").

(y) Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the “FCPA”), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any “foreign official” (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and the Company, its subsidiaries and, to the knowledge of the Company, its affiliates have conducted their businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(z) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping in all material respects and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the “Money Laundering Laws”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(aa) Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department (“OFAC”); and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

3. Purchase and Offering of Offered Securities. The obligation of the Underwriters to purchase the Offered Securities will be evidenced by an agreement or exchange of other written communications (the “Terms Agreement”) at the time the Company determines to sell the Offered Securities. The Terms Agreement will incorporate by reference the provisions of this Agreement, except as otherwise provided therein, and will specify the firm or firms which will be Underwriters, the names of any Representatives, the principal amount of Offered Debt Securities to be purchased by each Underwriter, the purchase price to be paid by the Underwriters and the terms of the Offered Securities not already specified in the Indenture, including, but not limited to, interest rate, maturity, any redemption provisions, any conversion provisions, and any sinking fund requirements. Unless otherwise specified in the Terms Agreement or unless otherwise agreed to by the Underwriter or Underwriters designated in the applicable Terms Agreement as the lead Underwriter or Underwriters (the “Lead Underwriter”) and the Company, payment of the purchase price

for, and delivery of, any Offered Securities to be purchased by the Underwriters shall be made at the office of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, no later than 12:00 noon New York City time, on the third business day following the date of the applicable Terms Agreement (unless the Offered Securities are priced after 4:30 p.m. New York City time, in which case such payment and delivery will be made no later than 12:00 noon New York City time, on the fourth business day following the date of the applicable Terms Agreement), each such time and date for payment and delivery being referred to herein and in the Terms Agreement as the “Closing Date”. For purposes of Rule 15c6-1 under the Securities Exchange Act of 1934, the Closing Date (if later than the otherwise applicable settlement date) shall be the date for payment of funds and delivery of securities for all the Offered Securities sold pursuant to the offering. The obligations of the Underwriters to purchase the Offered Securities will be several and not joint. It is understood that the Underwriters propose to offer the Offered Securities for sale as set forth in the Pricing Prospectus and the Prospectus.

If the Terms Agreement specifies “Book-Entry Only” settlement or otherwise states that the provisions of this paragraph shall apply, the Company will deliver against payment of the purchase price, the Offered Securities in the form of one or more permanent global securities in definitive form (the “Global Securities”) deposited with the Trustee as custodian for The Depository Trust Company (“DTC”) and registered in the name of Cede & Co., as nominee for DTC. Interests in any permanent global securities will be held only in book-entry form through DTC, except in the limited circumstances described in the Prospectus. Payment for the Offered Securities shall be made by the Underwriters in Federal (same day) funds by wire transfer to an account previously designated by the Company to the Lead Underwriter, in each case drawn to the order of the Company at the place of payment specified in the Terms Agreement on the Closing Date, against delivery to the Trustee as custodian for DTC of the Global Securities representing all of the Offered Securities.

4. Certain Agreements of the Company. The Company agrees with the several Underwriters that it will furnish to counsel for the Underwriters one signed or certified copy of the registration statement or statements relating to the Registered Securities, including all exhibits, in the form it became effective and of all amendments thereto and that, in connection with each offering of Offered Securities:

(a) The Company will file the Prospectus with the Commission pursuant to and in accordance with Rule 424(b) not later than the Commission’s close of business on the second business day following the execution and delivery of the Terms Agreement or, if applicable, such earlier time as may be required by Rule 424(b).

(b) The Company will advise the Representatives promptly of any proposal to amend or supplement the Registration Statement, Preliminary Prospectus or the Prospectus and will afford the Representatives a reasonable opportunity to comment on any such proposed amendment or supplement; the Company will not undertake any such proposed amendment or supplement if the Representatives reasonably object in writing thereto; and the Company will also advise the Representatives promptly of the filing of any such amendment or supplement and of the institution by the Commission of any stop order proceedings in respect of the Registration Statement or of any part thereof or of any order preventing or suspending the use of any Preliminary

Prospectus or other Prospectus in respect of the Offered Securities or of any notice of objection of the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Act, and will use its reasonable best efforts to prevent the issuance of any such stop order or of any order preventing or suspending the use of any preliminary or other Prospectus and to obtain as soon as possible its lifting, if issued; and in the event of any such issuance of a notice of objection, will use its reasonable best efforts to take such steps including, without limitation, amending the Registration Statement or filing a new registration statement, at its own expense, as may be necessary to permit offers and sales of the Offered Securities by the Underwriters (references herein to the Registration Statement shall include any such amendment or new registration statement).

(c) If, at any time when a prospectus relating to the Offered Securities (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is required to be delivered under the Act in connection with sales by any Underwriter or dealer, any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Act, the Company promptly will notify the Representatives of such event and will promptly prepare and file with the Commission, at its own expense, an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance.

(d) As soon as practicable, but not later than 16 months after the date of each Terms Agreement, the Company will make generally available to its securityholders an earnings statement, which will satisfy the provisions of Section 11(a) of the Act and the rules and regulations thereunder (including Rule 158).

(e) The Company will furnish to the Representatives copies of the Registration Statement, including all exhibits, any related preliminary prospectus, any related preliminary prospectus supplement, and all amendments and supplements to such documents, in each case as soon as available, and copies of the Prospectus and all amendments and supplements to the Prospectus not later than 1:00 p.m., New York City time, on the day following the date thereof, or as soon thereafter as practicable and, in each case in such quantities as the Lead Underwriter reasonably requests. Unless otherwise specified in the Terms Agreement, the Company will pay the expenses of printing and distributing to the Underwriters all such documents.

(f) The Company will use its reasonable efforts to arrange for the qualification of the Offered Securities for sale and the determination of their eligibility for investment, under the laws of such jurisdictions as the Representatives reasonably designate and will continue such qualifications in effect so long as required for the distribution; provided that the Company will not be required to qualify to do business in any jurisdiction where it is not now qualified or take any action which would subject it to general or unlimited service of process in any jurisdiction where it is not now subject.

(g) During the period of three years after the date of any Terms Agreement, the Company will furnish to the Representatives and, upon request, to each of the other Underwriters, as soon as practicable after the end of each fiscal year, a copy of its annual report to shareholders for such year; and the Company will furnish to the Representatives as soon as available should they be unavailable for free on EDGAR on the SEC website, a copy of each Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K and definitive proxy statement of the Company filed with the Commission under the Securities Exchange Act of 1934 or mailed to shareholders. Such documentation and information may be furnished or made available electronically.

(h) Unless otherwise specified in the Terms Agreement, the Company will pay all expenses incident to the performance of its obligations under the Terms Agreement (including the provisions of this Agreement), for any filing fees or other expenses (including reasonable fees and disbursements of counsel) incurred in connection with qualification of the Offered Securities for sale and any determination of their eligibility for investment under the laws of such jurisdictions as the Representatives reasonably designate and the printing of memoranda relating thereto, for any fees charged by investment rating agencies for the rating of the Offered Securities, for any applicable filing fee incident to, and the reasonable fees and disbursements of counsel for the Underwriters in connection with, the review by the Financial Industry Regulatory Authority of the Offered Securities, for any travel expenses of the Company's officers and employees and any other expenses of the Company in connection with attending or hosting meetings with prospective purchasers of Offered Securities and for expenses incurred in distributing the Prospectus, the Pricing Prospectus, any Issuer Free Writing Prospectus, any preliminary prospectuses, any preliminary prospectus supplements or any other amendments or supplements to the Prospectus to the Underwriters.

(i) Unless otherwise specified in the Terms Agreement, for a period beginning at the time of execution of the Terms Agreement and ending on the Closing Date, if any Offered Debt Securities are being issued, without the prior consent of the Lead Underwriter, the Company will not offer or contract to sell or, except pursuant to a commitment entered into prior to the date of the Terms Agreement, sell or otherwise dispose of any debt securities denominated in the currency or currency unit in which the applicable Offered Debt Securities are denominated and issued or guaranteed by the Company and having a maturity of more than one year from the date of issue.

(j) The Company has prepared or will prepare a final term sheet, containing solely a description of the Securities, in form and substance approved by the Representatives and will file (if required) such term sheet pursuant to Rule 433(d) under the Act within the time required by such Rule; the Company will file promptly all other material required to be filed by the Company with Commission pursuant to Rule 433(d) under the Act.

(k) (i) The Company represents and agrees that, other than the final term sheet prepared and filed pursuant to this Section 4, without the prior consent of the Representatives, it has not made and will not make any offer relating to the Offered Securities that would constitute a "free writing prospectus" as defined in Rule 405 under the Act;



(ii) each Underwriter represents and agrees that, without the prior consent of the Company and the Representatives, other than one or more term sheets relating to the Offered Securities containing customary information, it has not made and will not make any offer relating to the Offered Securities that would not constitute a “free writing prospectus” as defined in Rule 405 under the Act; and

(iii) any such “free writing prospectus” and any electronic road show, the use of which has been consented to by the Company and the Representatives (including the final term sheet prepared and filed pursuant to this Section 4), is listed on Schedule B hereto.

(l) The Company has complied and will comply with the requirements of Rule 433 under the Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission or retention where required and legending.

(m) The Company agrees that if at any time following the issuance of an Issuer Free Writing Prospectus any event occurred or occurs as a result of which such Issuer Free Writing Prospectus would conflict with the information in the Registration Statement, the Pricing Prospectus or the Prospectus or would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Representatives and, if requested by the Representatives, will prepare and furnish without charge to each Underwriter an Issuer Free Writing Prospectus or other document which will correct such conflict, statement or omission; provided, however, that this representation and warranty shall not apply to any statements or omissions in an Issuer Free Writing Prospectus made in reliance upon and in conformity with Underwriter Information.

(n) The Company agrees that if at any time prior to the filing of the Prospectus, the Pricing Disclosure Package includes any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Representatives; provided, however, that this condition shall not apply with respect to any statements or omissions in the Pricing Disclosure Package made in reliance upon and in conformity with Underwriter Information.

(o) If by the third anniversary (the “Renewal Deadline”) of the initial effective date of the Registration Statement, any of the Offered Securities remain unsold by the Underwriters, the Company will file, if it has not already done so and is eligible to do so, a new automatic shelf registration statement relating to the Offered Securities, in a form reasonably satisfactory to the Lead Underwriter. If at the Renewal Deadline, the Company is no longer eligible to file an automatic shelf registration statement, the Company will, if it has not already done so, file a new shelf registration statement relating to the Offered Securities, in a form reasonably satisfactory to the Lead Underwriter and will use its best efforts to cause such registration

statement to be declared effective within 180 days after the Renewal Deadline. The Company will take all other action necessary or appropriate to permit the public offering and sale of the Offered Securities to continue as contemplated in the expired registration statement relating to the Securities. References herein to the Registration Statement shall include such new automatic shelf registration statement or such new shelf registration statement, as the case may be.

(p) If required by Rule 430B(h) under the Act, to prepare a form of prospectus in a form reasonably approved by you and to file such form of prospectus pursuant to Rule 424(b) under the Act not later than may be required by Rule 424(b) under the Act; and to make no further amendment or supplement to such form of prospectus which shall be reasonably disapproved by you promptly after reasonable notice thereof.

(q) To pay the required Commission filing fees relating to the Offered Securities within the time required by Rule 456(b)(1) under the Act without regard to the proviso therein and otherwise in accordance with Rules 456(b) and 457(r) under the Act.

5. Conditions of the Obligations of the Underwriters. The obligations of the several Underwriters to purchase and pay for the Offered Securities will be subject to the accuracy of the representations and warranties on the part of the Company herein as of the date of the applicable Terms Agreement, as of the Applicable Time and the Closing Date, to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) On or prior to the date of the Terms Agreement, the Representatives shall have received a letter or letters, in form and substance satisfactory to the Representatives, dated the date of delivery thereof, of the Company's independent accountants confirming that as of the date of their report and during the period covered by such financial statements on which they reported, they were independent public accountants within the meaning of the Act and the applicable published Rules and Regulations thereunder and, stating, as of the date of such letter or letters (or with respect to matters involving changes or developments since the respective dates as of which specified financial information is given or incorporated in the Preliminary Prospectus and the Prospectus, as of a date not more than three days prior to the date of such letter or letters, provided that such date shall be after the date of the Prospectus), the conclusions and findings of such firm or firms with respect to the financial statements and certain financial information contained in the Registration Statement, the Prospectus and the Pricing Disclosure Package.

(b) The Prospectus shall have been filed with the Commission in accordance with the Rules and Regulations and Section 4(a) of this Agreement. The final term sheet contemplated by Section 4 hereof, and any other material required to be filed by the Company pursuant to Rule 433(d) under the Act shall have been filed with the Commission within the applicable time periods prescribed for such filings by Rule 433. No stop order suspending the effectiveness of the Registration Statement or of any part thereof shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or any Underwriter, shall be contemplated by the Commission and no notice of objection of the Commission to

the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Act shall have been received; and no stop order suspending or preventing the use of any Prospectus or any Issuer Free Writing Prospectus shall have been initiated or threatened by the Commission.

(c) On or after the Applicable Time, there shall not have occurred (i) any change, or any development or event reasonably likely to have a prospective change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole which, in the judgment of the Representatives, is material and adverse and makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities on the terms and in the manner contemplated in the Pricing Prospectus and the Prospectus; (ii) any downgrading in the rating of any debt securities of the Company by any “nationally recognized statistical rating organization” (as defined for purposes of Rule 436(g) under the Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (iii) any material suspension or material limitation of trading in securities generally on the New York Stock Exchange, or any material disruption in commercial banking or securities settlement or clearance services, or any setting of minimum prices for trading any securities of the Company on the New York Stock Exchange, or any suspension of trading of any securities of the Company on the New York Stock Exchange; (iv) any banking moratorium declared by U.S. Federal or New York authorities, or the authorities of any country in whose currency any Offered Debt Securities are denominated under the applicable Terms Agreement; (v) any outbreak or escalation of hostilities in which the United States or any country in whose currency any Offered Debt Securities are denominated under the applicable Terms Agreement is involved, any declaration of war by Congress or any other national or international calamity or emergency if, in the judgment of the Representatives, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities on the terms and in the manner contemplated in the Pricing Prospectus and the Prospectus; or (vi) any change or prospective change in, or governmental action affecting, exchange controls applicable to the currency in which any Offered Debt Securities are denominated, which change or action, in the judgment of the Representatives, is material and adverse and makes it impractical or inadvisable to proceed with the completion of the public offering or the sale of and payment for the Offered Securities on the terms and in the manner contemplated in the Pricing Prospectus and the Prospectus.

(d) The Representatives shall have received an opinion, dated the Closing Date, from one or more law firms acting as counsel for the Company, including local counsel and attorneys employed by the Company or its subsidiaries, which, in the aggregate, are substantially to the effect that:

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the Commonwealth of Virginia, with the corporate power and authority to own and lease its properties and conduct its business as described in the Pricing Prospectus and the Prospectus;

(ii) The Company is duly qualified to do business as a foreign corporation and is in good standing under the laws of those jurisdictions set forth on Annex I to such opinion;

(iii) Each Significant Subsidiary has been duly incorporated or organized, as the case may be, and is validly existing as a corporation or limited liability company, as the case may be, in good standing under the laws of the jurisdiction of its incorporation or organization, with corporate power and authority to own and lease its properties and conduct its business as described in the Pricing Prospectus and the Prospectus; and all of the issued and outstanding shares of capital stock or limited liability company interests of each Significant Subsidiary has been duly authorized for issuance and is validly issued, fully paid and nonassessable; and all outstanding shares of capital stock or limited liability company interests of each Significant Subsidiary are owned by the Company, directly or through subsidiaries, to the knowledge of such counsel, free from security interests, claims, liens and encumbrances;

(iv) Each Significant Subsidiary that is incorporated under the laws of a State or Commonwealth of the United States of America (the "U.S. Significant Subsidiaries") is duly qualified to do business as a foreign corporation and is in good standing under the laws of those jurisdictions set forth on Annex I to such opinion;

(v) The Indenture has been duly authorized, executed and delivered by the Company, qualified under the Trust Indenture Act and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except to the extent enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws of general applicability relating to or affecting the enforcement of creditors' rights and by the effect of general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law);

(vi) The Offered Securities have been duly authorized, executed and delivered by the Company, and when executed and authenticated by the Trustee in accordance with the terms of the Indenture and delivered against payment therefor pursuant to the terms of the Underwriting Agreement, will constitute legal, valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms, except to the extent enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws of general applicability relating to or affecting the enforcement of creditors' rights and by the effect of general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law); and the Indenture and the Offered Securities conform as to legal matters in all material respects to the descriptions thereof contained in the Pricing Prospectus and the Prospectus;

(vii) No consent, approval, authorization or order of, or registration or filing with, (i) any federal governmental agency or federal regulatory body of the United States of America or any state governmental agency or state regulatory body of the States of Delaware, Illinois or New York or the Commonwealth of Virginia is required under Applicable Laws, (ii) to such counsel's knowledge, any court of the United States of America, the States of Delaware, Illinois or New York or the Commonwealth of Virginia is required under Applicable Laws, in each case under clause (i) or clause (ii) for the consummation of the transactions contemplated by the Underwriting Agreement in connection with the issuance or sale of the Offered Securities by the Company. As used in such opinion, the term "Applicable Laws" means the laws of the States of Illinois and New York, the laws of the Commonwealth of Virginia and the federal laws of the United States of America which, in such counsel's experience and without independent investigation, are normally applicable to transactions of the type contemplated by the Underwriting Agreement and the Delaware General Corporation Act (provided that the term "Applicable Laws" shall not include laws, regulations and statutory prohibitions relating to food safety, including, without limitation, regulations administered by the Food and Drug Administration, the Food Safety and Inspection Service of the United States Department of Agriculture or similar governmental agencies, federal or state securities or blue sky laws, including, without limitation, the Act, the Exchange Act, the 1939 Act and 1940 Act, and the respective rules and regulations thereunder).

(viii) None of the execution and delivery by the Company of the Underwriting Agreement, the performance by the Company of its obligations under the Underwriting Agreement or the Indenture, or the issuance and sale of the Offered Securities, will (i) violate any provision of the charter or bylaws of the Company or any Significant Subsidiary, (ii) conflict with, result in a breach or violation of or imposition of any security interest, claim, lien, encumbrance or defect upon any material property or material assets of the Company or any Significant Subsidiary pursuant to the terms of any agreement or instrument binding upon the Company or any Significant Subsidiary that is listed in Annex II attached to such opinion (which an officer of the Company has certified to such counsel constitutes a list of all agreements or instruments material to the Company and its Significant Subsidiaries, taken as a whole), or (iii) violate any Applicable Law or any judgment, order or decree known to such counsel and which is applicable to the Company or any Significant Subsidiary of any court, governmental agency or regulatory body having jurisdiction over the Company or its Significant Subsidiaries.

(ix) The Registration Statement has become effective under the Act; the Prospectus has been filed with the Commission pursuant to Rule 424(b)(2) under the Act; to such counsel's knowledge, (i) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for such purpose has been instituted or is

threatened by the Commission, and (ii) no stop order suspending or preventing the use of any prospectus or any Issuer Free Writing Prospectus has been issued and no proceeding for such purpose has been instituted or is threatened by the Commission.

(x) The Registration Statement (other than the financial statements and supporting schedules and other financial data included or incorporated by reference therein or omitted therefrom and the Form T-1, as to which such counsel expresses no opinion), at the time the Registration Statement became effective, the Pricing Prospectus (other than the financial statements and supporting schedules and other financial data included or incorporated by reference therein or omitted therefrom, as to which such counsel expresses no opinion), at the Applicable Time, and the Prospectus (other than the financial statements and supporting schedules and other financial data included or incorporated by reference therein or omitted therefrom, as to which such counsel expresses no opinion), as of the date of the Terms Agreement and as of the date hereof, complied as to form in all material respects with the applicable requirements of the Act and the rules and regulations of the Commission thereunder.

(xi) Such counsel has no reason to believe that (a) any part of such registration statement or statements, when such part or amendment became effective, the Registration Statement, when such part or amendment became effective, or any amendment thereto, when such part or amendment became effective, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading, (b) the Pricing Disclosure Package, as of the Applicable Time, included an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or (c) the Prospectus, as of its date or as of such Closing Date, included an untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; it being understood that such counsel need express no opinion as to the financial statements or other financial data contained in the Registration Statement, the Pricing Prospectus or the Prospectus; and all statements set forth in the Registration Statement, Pricing Prospectus and the Prospectus of contracts and other documents to which the Company or any Significant Subsidiary is a party (insofar as such statements purport to summarize certain provisions of such contracts and other documents) fairly summarize such provisions in all material respects. To such counsel's knowledge, there are no contracts or documents required to be filed as exhibits to the Registration Statement other than those filed or incorporated by reference as exhibits thereto, and to such counsel's knowledge, there are no legal or governmental proceedings before any court, governmental agency or regulatory body or any arbitrator pending or threatened which are required to be disclosed in the Pricing Prospectus or the Prospectus, other than those disclosed therein.

(xii) The Terms Agreement (including the provisions of this Agreement) has been duly authorized, executed and delivered by the Company.

(xiii) Such counsel is of the opinion that the statements in the Base Prospectus under the heading "Certain United States Federal Income Tax Considerations," insofar as such statements purport to constitute summaries of matters of United States federal tax law and regulations or legal conclusions with respect thereto, constitute accurate summaries, as of the date of the Prospectus Supplement and as of the Closing Date, of the matters described therein.

(xiv) Each document incorporated by reference in the Pricing Prospectus and the Prospectus (other than the financial statements and supporting schedules and other financial data included or incorporated by reference therein or omitted therefrom, as to which such counsel expresses no opinion), at the time such document was filed with the Commission, complied as to form in all material respects with the applicable requirements of the Exchange Act and the rules and regulations of the Commission promulgated thereunder.

(xv) Such counsel is of the opinion that, to the best of his or her knowledge and other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on the current or future consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries; and, to the best of such counsel's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

Such counsel may rely as to certain matters of fact, to the extent they deem proper and so long as acceptable in the reasonable opinion the Representatives, on certificates of responsible officers of the Company and public officials.

(e) The Representatives shall have received from counsel for the Underwriters such opinion or opinions, dated the Closing Date, with respect to the incorporation of the Company, the validity of the Offered Securities, the Registration Statement, the Pricing Disclosure Package, the Prospectus and other related matters as the Representatives may require, and the Company shall have furnished to such counsel such documents as they may reasonably request for the purpose of enabling them to pass upon such matters. In rendering such opinion, counsel for the Underwriters may rely as to the incorporation of the Company and all other matters governed by Virginia law upon the opinion of counsel for the Company referred to above.

(f) The Representatives shall have received a certificate, dated the Closing Date, of the President or any Vice President and a principal financial or accounting officer of the Company in which such officers, on behalf of the Company, shall state that, to their knowledge, the representations and warranties of the Company in this Agreement are true and correct, that the Company

has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date, that no stop order suspending the effectiveness of the Registration Statement or of any part thereof has been issued and no proceedings for that purpose have been instituted or are contemplated by the Commission and no stop order suspending or preventing the use of any prospectus or any Issuer Free Writing Prospectus shall have been instituted or is contemplated and that, subsequent to the date of the most recent financial statements included or incorporated by reference into the Pricing Prospectus and the Prospectus, there has been no material adverse change, nor any development or event reasonably likely to have a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole except as set forth in or contemplated by the Pricing Prospectus and the Prospectus or as described in such certificate.

(g) The Representatives shall have received a letter or letters in form and substance satisfactory to the Representatives, dated the Closing Date, of the Company's independent accountants which confirms the conclusion and findings set forth in the letter or letters of such firm or firms delivered pursuant to the requirements of subsection (a) of this Section, except that the specified date referred to in such subsection will be a date not more than three days prior to the Closing Date for purposes of this subsection.

(h) The Representatives shall have received from counsel reasonably satisfactory to the Representatives, such opinion or opinions dated the Closing Date, with respect to compliance with the laws of any country, other than the United States, in whose currency the Offered Securities are denominated, the validity of the Offered Securities, the Prospectus and other related matters as they may reasonably require, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

The Company will furnish the Representatives with such conformed copies of such opinions, certificates, letters and documents as the Representatives reasonably request. The Representatives may in their discretion waive on behalf of the Underwriters compliance with any conditions to the obligations of the Underwriters under this Agreement and the Terms Agreement.

6. Indemnification and Contribution. (a) The Company will indemnify and hold harmless each Underwriter, its partners, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Pricing Prospectus, the Prospectus, any Issuer Free Writing Prospectus or any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Act, or any amendment or supplement thereto, or any related preliminary prospectus or preliminary prospectus supplement, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are



incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in or pursuant to the Terms Agreement (“Underwriter Information”).

(b) Each Underwriter will severally and not jointly indemnify and hold harmless the Company, its directors and officers and each person, if any, who controls the Company within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus, the Pricing Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus or preliminary prospectus supplement, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with Underwriter Information, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. In no event shall the indemnifying party be liable for the fees and expenses of more than one counsel and local counsel at any time for any indemnified party in connection with any one action or separate but substantially

similar or related actions arising in the same jurisdiction out of the same general allegations or circumstances. No indemnifying party shall (i) without the prior written consent of the indemnified party, settle, compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent (A) includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and (B) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an indemnified party, or (ii) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment in accordance with the provisions of this Section 6.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Offered Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, on the one hand, or the Underwriters, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Offered Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the

meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company under this Section shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each director of the Company, to each officer of the Company who has signed the Registration Statement and to each person, if any, who controls the Company within the meaning of the Act.

7. Default of Underwriters. If any Underwriter or Underwriters default in their obligations to purchase Offered Securities under the Terms Agreement and the aggregate amount of Offered Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the aggregate amount of the Offered Securities, the Lead Underwriter may make arrangements satisfactory to the Company for the purchase of such Offered Securities by other persons, including any of the Underwriters, but if no such arrangements are made by the Closing Date, the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments under the Terms Agreement (including the provisions of this Agreement), to purchase the Offered Securities that such defaulting Underwriters agreed but failed to purchase. If any Underwriter or Underwriters so default and the aggregate amount of the Offered Securities with respect to which such default or defaults occur exceeds 10% of the aggregate amount of the Offered Securities, and arrangements satisfactory to the Lead Underwriter and the Company for the purchase of such Offered Securities by other persons are not made within 36 hours after such default, the Terms Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company, except as provided in Section 8. As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. As used in this Section only, the "aggregate amount" of the Offered Securities shall mean the aggregate principal amount of any Offered Debt Securities. Nothing herein will relieve a defaulting Underwriter from liability for its default. The foregoing obligations and agreements set forth in this Section will not apply if the Terms Agreement specifies that such obligations and agreements will not apply.

8. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the several Underwriters set forth in or made pursuant to the Terms Agreement (including the provisions of this Agreement) will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, the Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Securities. If the Terms Agreement is terminated pursuant to Section 7 or if for any reason the purchase of the Offered Securities by the Underwriters is not consummated, the Company shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 4 and the respective obligations of the Company and the Underwriters pursuant to Section 6 shall remain in effect. If the purchase of the Offered Securities by the

Underwriters is not consummated for any reason other than solely because of the termination of the Terms Agreement pursuant to Section 7 or the occurrence of any event specified in clause (iii), (iv) or (v) of Section 5(c), the Company will reimburse the Underwriters for all out-of-pocket expenses (including reasonable fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Offered Securities.

9. Absence of Fiduciary Relationship. The Company acknowledges and agrees that (i) the purchase and sale of the Offered Securities pursuant to this Agreement and the Terms Agreement is an arm's length commercial transaction between the Company, on the one hand, and the several Underwriters, on the other, (ii) in connection therewith and with the process leading to such transaction each Underwriter is acting solely as a principal and not the agent or fiduciary of the Company, (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company on other matters) or any other obligation to the Company except the obligations expressly set forth in this Agreement and (iv) the Company has consulted its own legal and financial advisors to the extent it deemed appropriate. The Company agrees that it will not claim that the Underwriters, or any of them, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company, in connection with such transaction or the process leading thereto.

10. Notices. All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed, delivered, telecopied or transmitted by any other standard form of telecommunication and confirmed to the Representatives at their address set forth in the Terms Agreement, or, if sent to the Company, will be mailed, delivered, telecopied or transmitted by any other standard form of telecommunication and confirmed to it at Three Lakes Drive, Northfield, Illinois 60093, facsimile: (847) 646-2950, Attention: Vice President and Corporate Secretary.

11. Successors. The Terms Agreement (including the provisions of this Agreement) will inure to the benefit of and be binding upon the Company and such Underwriters as are identified in the Terms Agreement and their respective successors and the officers and directors and controlling persons referred to in Section 6, and no other person will have any right or obligation hereunder.

12. Representation of Underwriters. The Representatives will act for the several Underwriters in connection with the financing described in the Terms Agreement, and any action under such Terms Agreement (including the provisions of this Agreement) taken by the Representatives jointly or by the Lead Underwriter will be binding upon all the Underwriters.

13. Counterparts. The Terms Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

14. APPLICABLE LAW. THIS AGREEMENT AND THE TERMS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING ARTICLE 5, TITLE 14, SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK.

The Company hereby submits to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to the Terms Agreement (including the provisions of this Agreement) or the transactions contemplated thereby.

KRAFT FOODS INC.  
("Company")

DEBT SECURITIES

TERMS AGREEMENT

, 20

To: The [Representative[s] of the] Underwriters identified herein

Dear Sirs:

The undersigned agrees to sell to the several Underwriters named [in Schedule A hereto] [below] for their respective accounts, on and subject to the terms and conditions of the Amended and Restated Underwriting Agreement filed as an exhibit to the Company's registration statement or statements on Form S-3 relating to debt securities (the "Underwriting Agreement"), the following securities (the "Offered Securities") on the following terms:

OFFERED DEBT SECURITIES

TITLE: [ %] [Floating Rate] — Notes — Debentures — Bonds — Due .

PRINCIPAL AMOUNT: \$ .

INTEREST: [ % per annum, from , 20 , payable semiannually on and , commencing , 20 , to holders of record on the preceding or , as the case may be.] [Zero coupon.]

MATURITY: , 20 .

CURRENCY OF DENOMINATION:

CURRENCY OF PAYMENT:

FORM AND DENOMINATION:

OVERSEAS PAYMENT AGENTS:

OPTIONAL REDEMPTION:

CONVERSION PROVISIONS:

SINKING FUND:

LISTING: [None.] [ Stock Exchange.]

PURCHASE PRICE: % of principal amount, plus accrued interest[, if any,] from , 20 .

EXPECTED REOFFERING PRICE: % of principal amount, subject to change by the [Representative[s] [Underwriters].

OTHER MATTERS

CLOSING: A.M. on , 20 , at , in Federal (same day) funds.

SETTLEMENT AND TRADING: [Physical certificated form.] [Book-Entry Only via DTC.]

[NAME[S] AND ADDRESS[ES] OF THE [REPRESENTATIVE[S]] [UNDERWRITER[S]];] [NAME[S] AND ADDRESS[ES] OF THE LEAD UNDERWRITER[S];]

The respective principal amounts of the Offered Debt Securities to be purchased by each of the Underwriters are set forth opposite their names in Schedule A hereto.

The provisions of the Underwriting Agreement are incorporated herein by reference.

The Offered Securities will be made available for checking and packaging at the office of at least 24 hours prior to the Closing Date.

For purposes of Section 6 of the Underwriting Agreement, the only information furnished to the Company by any Underwriter for use in the Prospectus consists of [to be discussed and determined].

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to the Company one of the counterparts hereof, whereupon it will become a binding agreement between the Company and the several Underwriters in accordance with its terms.

Very truly yours,

KRAFT FOODS INC.

By \_\_\_\_\_  
[Insert title]

The foregoing Terms Agreement is hereby confirmed and accepted as of the date first above written.

[If no co-representative, use first confirmation form. If co-representative, use second.]

[Insert name of Representative]

By \_\_\_\_\_  
[Insert title]

[Acting on behalf of itself and as the  
Representative of the several Underwriters.]

[Insert name of Representative]

\_\_\_\_\_  
\_\_\_\_\_

[Acting on behalf of themselves and as the  
Representatives of the several Underwriters.]

By [Insert name of Representative]

By \_\_\_\_\_  
[Insert title]



SCHEDULE A

UNDERWRITER

---

PRINCIPAL  
AMOUNT  
OF OFFERED DEBT  
SECURITIES

---

\$

Total

---

---

\$

---

SCHEDULE B

- (a) Issuer Free Writing Prospectuses not included in the Pricing Disclosure Package: None
- (b) Additional Documents Incorporated by Reference: None
- (c) Final Term Sheet, attached as Schedule C hereto

**PRICING TERM SHEETS**

**Issuer:** .% Notes due \_\_\_\_\_

**Offering Format:**

**Security:** .% Notes due \_\_\_\_\_

**Size:** \$·

**Maturity Date:** ; \_\_\_\_\_

**Coupon:** .%

**Interest Payment Dates:** · and ; commencing ;

**Price to Public:** .%

**Benchmark Treasury:** ·

**Benchmark Treasury Yield:** .%

**Spread to Benchmark Treasury:** + · bp

**Yield:** .%

**Make-Whole Call:** ·

**Expected Settlement Date:** ;

**CUSIP:** ·

**Anticipated Ratings:** [· by Moody’s Investors Service, Inc.]  
 [· by Standard & Poor’s Ratings Services]  
 [· by Fitch Ratings]

**Joint Book-Running Managers:**

**Co-Managers:**

Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering.

You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling [ ] toll free at [ ] or [\_\_\_\_\_].

**KRAFT FOODS INC.**  
(the “**Company**”)

**Debt Securities**

**TERMS AGREEMENT**

December 5, 2007

To: The Representatives of the Underwriters identified herein

Dear Sirs:

The undersigned agrees to sell to the several Underwriters named in Schedule A hereto for their respective accounts, on and subject to the terms and conditions of the Amended and Restated Underwriting Agreement dated December 5, 2007, which is incorporated by reference in the Company’s registration statement on Form S-3 (No. 333-147829), relating to debt securities (the “**Underwriting Agreement**”), the following securities (the “**Offered Securities**”) on the following terms (unless otherwise defined herein, terms defined in the Underwriting Agreement are used herein as therein defined):

**OFFERED SECURITIES**

**Title:**

6.125% Notes due 2018 (the “**2018 Notes**”).

6.875% Notes due 2038 (the “**2038 Notes**” and together with the 2018 Notes, the “**Notes**”).

**Aggregate Principal Amount:**

In the case of the 2018 Notes, \$2,000,000,000.

In the case of the 2038 Notes, \$1,000,000,000.

**Interest:**

In the case of the 2018 Notes, 6.125% per annum, from December 12, 2007, payable semiannually in arrears on February 1 and August 1, to holders of record on the preceding January 15 or July 15, as the case may be, commencing August 1, 2008,.

In the case of the 2038 Notes, 6.875% per annum, from December 12, 2007, payable semiannually in arrears on February 1 and August 1, to holders of record on the preceding January 15 or July 15, as the case may be, commencing August 1, 2008,.

Interest on the 2018 Notes and the 2038 Notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

**Maturity:**

In the case of the 2018 Notes, February 1, 2018.

In the case of the 2038 Notes, February 1, 2038.

**Currency of Denomination:**

United States Dollars (\$).

**Currency of Payment:**

United States Dollars (\$).

**Indenture:**

The Notes will be issued under the Indenture dated as of October 17, 2001 between the Company and The Bank of New York (as successor trustee to The Chase Manhattan Bank), as trustee.

**Form and Denomination:**

Book-entry form only represented by one or more global securities deposited with The Depository Trust Company, including its participants Clearstream or Euroclear, or their respective designated custodian, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

**Change of Control:**

Upon the occurrence of both (i) a change of control of the Company and (ii) a downgrade of the Notes below an investment grade rating by each of Moody's Investors Service, Inc., Standard & Poor's Ratings Services and Fitch Ratings within a specified period, the Company will be required to make an offer to purchase the Notes of each series at a price equal to 101% of

the aggregate principal amount of such series, plus accrued and unpaid interest to the date of repurchase as and to the extent set forth in the Company's Prospectus Supplement relating to the Notes dated December 5, 2007 (the "**Prospectus Supplement**") under the caption "Description of Notes—Change of Control".

**Redemption for Tax Reasons:**

The Company may redeem all, but not part, of the Notes of each series upon the occurrence of specified tax events described under the caption "Description of Notes—Redemption for Tax Reasons" in the Prospectus Supplement.

**Conversion Provisions:**

None.

**Sinking Fund:**

None.

**Listing:**

None.

**Delayed Delivery Contracts:**

None.

**Payment of Additional Amounts:**

In addition, the Company shall pay Additional Amounts to holders as and to the extent set forth under the caption "Description of Notes—Payment of Additional Amounts" in the Prospectus Supplement.

**Purchase Price:**

In the case of the 2018 Notes, 99.065% of the principal amount of the 2018 Notes, plus accrued interest, if any, from December 12, 2007.

In the case of the 2038 Notes, 98.476% of the principal amount of the 2038 Notes, plus accrued interest, if any, from December 12, 2007.

**Expected Reoffering Price:**

In the case of the 2018 Notes, 99.515% of the principal amount of the 2018 Notes plus accrued interest, if any, from December 12, 2007.

In the case of the 2038 Notes, 99.351% of the principal amount of the 2038 Notes plus accrued interest, if any, from December 12, 2007.

**Additional Agreements of the Company:**

Not applicable.

**OTHER MATTERS**

**Closing:**

9:00 A.M., local time, on December 12, 2007, at the offices of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017 in Federal (same day) funds.

**Settlement and Trading:**

Book-Entry Only via DTC, Clearstream or Euroclear.

**Names and Addresses of the Representatives:**

Credit Suisse Securities (USA) LLC  
Eleven Madison Avenue  
New York, New York 10010

Goldman, Sachs & Co.  
85 Broad Street  
New York, New York 10004

HSBC Securities (USA) Inc.  
452 Fifth Avenue  
New York, New York 10018

J.P. Morgan Securities Inc.  
270 Park Avenue  
New York, New York 10017

UBS Securities LLC  
677 Washington Blvd.  
Stamford, Connecticut 06901

The respective principal amounts of the Offered Securities to be severally purchased by each of the Underwriters are set forth opposite their names in Schedule A hereto.

The provisions of the Underwriting Agreement are incorporated herein by reference, except that, notwithstanding anything in Section 4(h) of the Underwriting Agreement to the contrary, the Underwriters shall pay all expenses (including reasonable fees and disbursements of counsel) incurred in connection with qualification of the Offered Securities for sale and any determination of their eligibility for investment under the laws of such jurisdictions as the Representatives reasonably designate.

For purposes of the Underwriting Agreement, the "Applicable Time" shall be 3:45 p.m. (Eastern time) on December 5, 2007.

In Section 1(b) of the Underwriting Agreement, the phrase "and as further supplemented by the documents listed on Schedule B(d) hereto" is added after the phrase "final term sheet prepared pursuant to Section 4 hereof". Schedule B is amended to create a new sub-heading titled "(d) Materials other than the Pricing Prospectus and Final Term Sheet that comprise the Pricing Disclosure Package: Free Writing Prospectus filed by the Company with the Commission on December 5, 2007".

The Offered Securities will be made available for checking at the office of Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, at least 24 hours prior to the Closing Date.

For purposes of Section 6 of the Underwriting Agreement, the only information furnished to the Company by the Underwriters for use in the Prospectus consists of the following information in the Prospectus: the concession and reallowance figures appearing in the third paragraph under the caption "Underwriting" in the prospectus supplement and the information contained in the fifth and sixth paragraphs under the caption "Underwriting" in the prospectus supplement.



If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to the Company one of the counterparts hereof, whereupon it will become a binding agreement between the Company and the several Underwriters in accordance with its terms.

Very truly yours,

KRAFT FOODS INC.

By     /s/ Timothy R. McLevish

Name: Timothy R. McLevish

Title: Executive Vice President and  
Chief Financial Officer

The foregoing Terms Agreement is hereby confirmed and accepted as of the date first above written.

CREDIT SUISSE SECURITIES (USA) LLC

By /s/ Gregg R. Fatzinger  
Name: Gregg R. Fatzinger  
Title: Director

GOLDMAN, SACHS & CO.

By /s/ Goldman, Sachs & Co.  
(Goldman, Sachs & Co.)

HSBC SECURITIES (USA) INC.

By /s/ Karen L. Giles  
Name: Karen L. Giles  
Title: Vice President

J.P. MORGAN SECURITIES INC.

By /s/ Maria Sramek  
Name: Maria Sramek  
Title: Executive Director

UBS SECURITIES LLC

By /s/ Christian Stewart  
Name: Christian Stewart  
Title: Managing Director  
UBS Investment Bank

By /s/ Jordan Matusow  
Name: Jordan Matusow  
Title: Director  
UBS Investment Bank

Acting on behalf of themselves and as the Representatives of the several Underwriters.

**SCHEDULE A**

<b>Underwriter</b>	<b>\$2,000,000,000 Principal Amount of 6.125% Notes due 2018</b>	<b>\$1,000,000,000 Principal Amount of 6.875% Notes due 2038</b>
Credit Suisse Securities (USA) LLC	\$ 280,000,000	\$ 140,000,000
Goldman, Sachs & Co.	\$ 280,000,000	\$ 140,000,000
HSBC Securities (USA) Inc.	\$ 280,000,000	\$ 140,000,000
J.P. Morgan Securities Inc.	\$ 280,000,000	\$ 140,000,000
UBS Securities LLC	\$ 280,000,000	\$ 140,000,000
SG Americas Securities, LLC	\$ 280,000,000	\$ 140,000,000
ABN AMRO Incorporated	\$ 56,000,000	\$ 28,000,000
BNP Paribas Securities Corp.	\$ 56,000,000	\$ 28,000,000
Lehman Brothers Inc.	\$ 56,000,000	\$ 28,000,000
Wachovia Capital Markets, LLC	\$ 56,000,000	\$ 28,000,000
Piper Jaffray & Co.	\$ 56,000,000	\$ 28,000,000
Muriel Siebert & Co.	\$ 20,000,000	\$ 10,000,000
M.R. Beal & Company	\$ 20,000,000	\$ 10,000,000
Total	\$ 2,000,000,000	\$ 1,000,000,000

## KRAFT FOODS INC.

OFFICERS' CERTIFICATE

Reference is made to Section 301 of the Indenture dated as of October 17, 2001, between Kraft Foods Inc. (the "Company") and The Bank of New York (as successor to The Chase Manhattan Bank), as Trustee (the "Indenture"), the Terms Agreement dated December 5, 2007 (the "Terms Agreement") among the Company and Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities Inc. and UBS Securities LLC, as representatives of the Underwriters named therein, relating to the offer and sale by the Company of \$2,000,000,000 aggregate principal amount of its 6.125% Notes due 2018 and \$1,000,000,000 aggregate principal amount of its 6.875% Notes due 2038 and the Underwriting Agreement dated December 5, 2007 (the "Underwriting Agreement") incorporated by reference into the Terms Agreement. Capitalized terms used but not otherwise defined herein shall have the respective meanings given such terms in the Indenture, the Underwriting Agreement or the Terms Agreement, as the case may be. The undersigned Vice President and Corporate Secretary, in the case of Carol J. Ward, and Executive Vice President and Chief Financial Officer, in the case of Timothy R. McLevish, of the Company, hereby certify that they have authorized the issue and sale of the Notes by the Company, and, in connection with such issue, have determined, approved or appointed, as the case may be, the following:

- a) Title: 6.125% Notes due 2018 (the "2018 Notes") and 6.875% Notes due 2038 (the "2038 Notes"), (collectively, the "Notes").
- b) Principal Amount: In the case of the 2018 Notes, \$2,000,000,000 and in the case of the 2038 Notes, \$1,000,000,000.
- c) Interest: In the case of the 2018 Notes, 6.125% per annum, from December 12, 2007, payable semiannually on February 1 and August 1, commencing August 1, 2008, to holders of record on the preceding January 15 or July 15, as the case may be. In the case of the 2038 Notes, 6.875% per annum, from December 12, 2007, payable semiannually on February 1 and August 1, commencing August 1, 2008, to holders of record on the preceding January 15 or July 15, as the case may be.
- d) Form and Denominations: Fully-registered book-entry form in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.
- e) Maturity: In the case of the 2018 Notes, February 1, 2018 and in the case of the 2038 Notes, February 1, 2038.
- f) Change of Control: Upon the occurrence of both (i) a change of control of the Company and (ii) a downgrade of the Notes below an investment grade rating by each of Moody's Investors Service, Inc., Standard & Poor's Ratings Services and Fitch Ratings within a specified period, the Company will be required to make an offer to purchase the Notes of each series at a price equal to 101% of the aggregate principal amount of such series, plus accrued and unpaid interest to the

date of repurchase as and to the extent set forth in the global notes representing the Notes attached hereto as Exhibits A-1, A-2, A-3, A-4, A-5 and A-6.

- g) Optional Redemption: The Company may, at its option, redeem the Notes in whole, but not in part, upon the occurrence of specified tax events as set forth in the global notes representing the Notes attached hereto as Exhibits A-1, A-2, A-3, A-4, A-5 and A-6. The Notes may not otherwise be redeemed at the option of the Company prior to maturity.
- h) Payment of Additional Amounts: Section 1010 of the Indenture shall be applicable to the Notes, except that the term "Holder," when used in Section 1010 of the Indenture, shall mean the beneficial owner of a Note or any person holding on behalf or for account of the beneficial owner of a Note.
- i) Sinking Fund: None.
- j) Purchase Price: In the case of the 2018 Notes, 99.065% of principal amount of the 2018 Notes, plus accrued interest, if any, from December 12, 2007 and in the case of the 2038 Notes, 98.476% of principal amount of the 2038 Notes, plus accrued interest, if any, from December 12, 2007.
- k) Place of Payment: Payments of principal and interest on the Notes will be made to The Depository Trust Company as the registered owner of the global security.
- l) Events of Default and Restrictive Covenants: As set forth in the Indenture.
- m) Trustee: The Bank of New York.
- n) Form of Notes: Attached as Exhibit C to the Secretary's Certificate dated as of December 12, 2007 and delivered in connection with the delivery of the Notes.
- o) Price to Public: In the case of the 2018 Notes, 99.515% of principal amount of the 2018 Notes; and in the case of the 2038 Notes, 99.351% of principal amount of the 2038 Notes.

IN WITNESS WHEREOF, the undersigned Vice President and Corporate Secretary and Executive Vice President and Chief Financial Officer, respectively, of the Company, have executed this Certificate as of the 12th day of December, 2007.

**KRAFT FOODS INC.**

By: /s/ Carol J. Ward  
Name: Carol J. Ward  
Title: Vice President and Corporate Secretary

By: /s/ Timothy R. McLevish  
Name: Timothy R. McLevish  
Title: Executive Vice President and Chief Financial Officer

*Signature Page to Officers' Certificate – Section 301 of the Indenture*

REGISTERED

No. 1

(SPECIMEN)

KRAFT FOODS INC.

6.125% NOTE DUE 2018

representing

\$500,000,000

CUSIP No. 50075N AU8

THIS NOTE IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN CERTIFICATED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TRUST COMPANY (THE "DEPOSITARY") TO A NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

KRAFT FOODS INC., a Virginia corporation (hereinafter called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co. or registered assigns, the principal sum of \$500,000,000 on February 1, 2018, and to pay interest thereon from December 12, 2007 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on February 1 and August 1 in each year, commencing August 1, 2008, at the rate of 6.125% per annum until the principal hereof is paid or made available for payment.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Regular

Record Date for such interest, which shall be January 15 or July 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and may be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee for the Notes, notice whereof shall be given to Holders of Notes not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of and interest on this Note will be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear on the Securities Register or by wire transfer to an account maintained by the payee at a bank located in the United States. All payments of principal and interest in respect of this Note will be made by the Company in immediately available funds.

Additional provisions of this Note are contained on the reverse hereof, and such provisions shall have the same effect as though fully set forth in this place.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee for the Notes by manual signature, this Note shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.



IN WITNESS WHEREOF, KRAFT FOODS INC. has caused this instrument to be duly executed under its corporate seal.

Dated: December 12, 2007

KRAFT FOODS INC.

By: \_\_\_\_\_  
Name: Timothy R. McLevish  
Title: Executive Vice President and Chief Financial Officer

[SEAL]

Attest:

By: \_\_\_\_\_  
Name: Carol J. Ward  
Title: Vice President and Corporate Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein described in the within-mentioned Indenture.

THE BANK OF NEW YORK, as Trustee

By: \_\_\_\_\_  
Authorized Officer

KRAFT FOODS INC.

This Note is one of a duly authorized issue of debentures, notes or other evidences of indebtedness (hereinafter called the "Securities") of the Company of the series hereinafter specified, which series is limited in aggregate principal amount to \$500,000,000 (except as provided in the Indenture hereinafter mentioned), all such Securities issued and to be issued under an Indenture dated as of October 17, 2001 between the Company and The Bank of New York (as successor to The Chase Manhattan Bank), as Trustee (herein called the "Indenture"), to which Indenture and all other indentures supplemental thereto reference is hereby made for a statement of the rights and limitations of rights thereunder of the Holders of the Securities and of the rights, obligations, duties and immunities of the Trustee for each series of Securities and of the Company, and the terms upon which the Securities are and are to be authenticated and delivered. As provided in the Indenture, the Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest, if any, at different rates, may be subject to different redemption provisions, if any, may be subject to different sinking, purchase or analogous funds, if any, may be subject to different covenants and Events of Default and may otherwise vary as in the Indenture provided or permitted. This Note is one of a series of the Securities designated therein as 6.125% Notes due 2018 (the "Notes").

The Company may, without the consent of the Holders of the Notes, issue additional notes having the same ranking and the same interest rate, maturity and other terms as the Notes, except for the issue price, issue date and, in some cases, the first payment of interest or interest accruing prior to the issue date of such additional notes. Any additional notes having such similar terms, together with the Notes, shall constitute a single series of notes under the Indenture. No additional notes may be issued if an Event of Default has occurred with respect to the Notes.

**Change of Control**

If a Change of Control Triggering Event (as defined below) occurs, unless the Company has exercised its right to redeem the Notes, Holders may require the Company to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of their Notes pursuant to an offer (the "Change of Control Offer") of payment in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest, if any, on the Notes repurchased, to the date of purchase (the "Change of Control Payment"). Within 30 days following any Change of Control Triggering Event, the Company will mail a notice to Holders describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the Notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the "Change of Control Payment Date"), pursuant to the procedures described in such notice. The Company must comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934 (the "Exchange Act") and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or

regulations conflict with the Change of Control provisions of the Notes, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Notes by virtue of such conflicts.

On the Change of Control Payment Date, the Company will, to the extent lawful:

- accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
- deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
- deliver or cause to be delivered to the Trustee the Notes properly accepted together with an officers' certificate stating the aggregate principal amount of Notes or portions of Notes being purchased.

The paying agent will promptly mail to each Holder properly tendered the purchase price for the Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder a new note equal in principal amount to any unpurchased portion of any Notes surrendered; *provided* that each new note will be in a principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof.

The Company will not be required to make an offer to repurchase the Notes upon a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Company and such third party purchases all Notes properly tendered and not withdrawn under its offer.

For purposes of the foregoing discussion of a repurchase at the option of Holders, the following definitions are applicable:

"Below Investment Grade Rating Event" means the Notes are rated below an Investment Grade Rating by each of the Rating Agencies (as defined below) on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of the Change of Control (which 60-day period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies); *provided* that a below investment grade rating event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect to a particular Change of Control (and thus shall not be deemed a below investment grade rating event for purposes of the definition of Change of Control Triggering Event hereunder) if the rating agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the below investment grade rating event).

“Change of Control” means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its subsidiaries taken as a whole to any Person or group of related persons for purposes of Section 13(d) of the Exchange Act (a “Group”) other than the Company or one of its subsidiaries; (2) the approval by the holders of the Company’s common stock of any plan or proposal for the liquidation or dissolution of the Company (whether or not otherwise in compliance with the provisions of the indenture); (3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any Person or Group becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares of the Company’s voting stock; or (4) the first day on which a majority of the members of the Company’s Board of Directors are not Continuing Directors.

“Change of Control Triggering Event” means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

“Continuing Directors” means, as of any date of determination, any member of the Board of Directors of the Company who (1) was a member of such Board of Directors on the date of the issuance of the Notes; or (2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election (either by a specific vote or by approval of the Company’s proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

“Fitch” means Fitch Ratings.

“Investment Grade Rating” means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P, respectively.

“Moody’s” means Moody’s Investors Service, Inc.

“Person” has the meaning set forth in the indenture and includes a “person” as used in Section 13(d)(3) of the Exchange Act.

“Rating Agencies” means (1) each of Fitch, Moody’s and S&P; and (2) if any of Fitch, Moody’s or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of the Company’s control, a “nationally recognized statistical rating organization” within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act, selected by the Company (as certified by a resolution of the Company’s Board of Directors) as a replacement agency for Fitch, Moody’s or S&P, or all of them, as the case may be.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.

## **Payment of Additional Amounts**

Section 1010 of the Indenture shall be applicable to the Notes, except that the term “Holder,” when used in Section 1010 of the Indenture, shall mean the beneficial owner of a Note or any person holding on behalf or for the account of the beneficial owner of a Note.

## **Optional Redemption**

The Company may redeem the Notes prior to maturity in whole, but not in part, on not more than 60 days’ notice and not less than 30 days’ notice at a redemption price equal to the principal amount of such Notes plus any accrued interest and additional amounts to the date fixed for redemption if:

- as a result of a change in or amendment to the tax laws, regulations or rulings of the United States or any political subdivision or taxing authority of or in the United States or any change in official position regarding the application or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction in the United States) that is announced or becomes effective on or after December 12, 2007, the Company has or will become obligated to pay additional amounts with respect to such series of Notes as described in Section 1010 of the Indenture, or
- on or after December 12, 2007, any action is taken by a taxing authority of, or any decision has been rendered by a court of competent jurisdiction in, the United States or any political subdivision of or in the United States, including any of those actions specified above, whether or not such action was taken or decision was rendered with respect to the Company, or any change, amendment, application or interpretation is officially proposed, which, in any such case, in the written opinion of independent legal counsel of recognized standing, will result in a material probability that the Company will become obligated to pay additional amounts with respect to such series of Notes, and the Company in its business judgment determine that such obligations cannot be avoided by the use of reasonable measures available to the Company.

If the Company exercises its option to redeem the Notes, the Company will deliver to the Trustee a certificate signed by an authorized officer stating that it is entitled to redeem the Notes and an opinion of independent tax counsel to the effect that the circumstances described in the above bullets exist.

## **Defeasance**

The Indenture contains provisions for defeasance at any time of the entire principal of all the Securities of any series upon compliance by the Company with certain conditions set forth therein.

Certain of the Company’s obligations under the Indenture with respect to Notes, may be terminated if the Company irrevocably deposits with the Trustee money or Government

Obligations sufficient to pay and discharge the entire indebtedness on all Notes, as provided in the Indenture.

### **Events of Default**

If an Event of Default (other than an Event of Default described in Section 501(4) or 501(5) of the Indenture) with respect to the Notes shall occur and be continuing, then either the Trustee or the Holders of not less than 25% in principal amount of the Notes of this series then Outstanding may declare the entire principal amount of the Notes of this series due and payable in the manner and with effect provided in the Indenture. If an Event of Default specified in Section 501(4) or 501(5) occurs with respect to the Company, all of the unpaid principal amount and accrued interest then outstanding shall *ipso facto* become and be immediately due and payable in the manner with the effect provided in the Indenture without any declaration or other act by the Trustee or any Holder.

### **Amendments**

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities under the Indenture at any time by the Company with the consent of the Holders of more than 50% in aggregate principal amount of the Securities at the time Outstanding of each series issued under the Indenture to be affected thereby. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities of that series at the time Outstanding, on behalf of the Holders of all the Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences with respect to such series. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the transfer hereof or in exchange or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

### **Payment**

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein and in the Indenture prescribed.

### **Transfer, Registration and Exchange**

As provided in the Indenture and subject to certain limitations therein set forth, this Note is transferable on the Security Register of the Company, upon surrender of this Note for registration of transfer at the office or agency of the Company to be maintained for that purpose in the Borough of Manhattan, The City of New York, or at any other office or agency of the Company maintained for that purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by the

Holder hereof or his attorney duly authorized in writing, and thereupon one or more new notes, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes are issuable only in registered form without coupons in denominations of \$2,000 and any multiple of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Notes are exchangeable for a like aggregate principal amount of Notes of a like tenor and of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company, the Trustee for the Notes and any agent of the Company or such Trustee may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Note be overdue, and neither the Company, such Trustee nor any such agent shall be affected by notice to the contrary.

The Notes are not subject to a sinking fund.

**This Note shall for all purposes be governed by, and construed in accordance with, the laws of the State of New York.**

Certain terms used in this Note which are defined in the Indenture have the meanings set forth therein.



ASSIGNMENT FORM

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY NUMBER OR  
OTHER IDENTIFYING NUMBER OF ASSIGNEE

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(Name and address of Assignee, including zip code, must be printed or typewritten)

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the within Note, and all rights thereunder, hereby irrevocably, constituting and appointing

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\_\_\_\_\_ Attorney  
to transfer the said Note on the books of Kraft Foods Inc. with full power of substitution in the premises.

Dated: \_\_\_\_\_

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NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

REGISTERED  
No. 1

(SPECIMEN)

KRAFT FOODS INC.

6.875% NOTE DUE 2038

representing

\$500,000,000

CUSIP No. 50075N AT1

THIS NOTE IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN CERTIFICATED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TRUST COMPANY (THE "DEPOSITARY") TO A NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

KRAFT FOODS INC., a Virginia corporation (hereinafter called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co. or registered assigns, the principal sum of \$500,000,000 on February 1, 2038, and to pay interest thereon from December 12, 2007 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on February 1 and August 1 in each year, commencing August 1, 2008, at the rate of 6.875% per annum until the principal hereof is paid or made available for payment.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Regular

Record Date for such interest, which shall be January 15 or July 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and may be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee for the Notes, notice whereof shall be given to Holders of Notes not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of and interest on this Note will be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear on the Securities Register or by wire transfer to an account maintained by the payee at a bank located in the United States. All payments of principal and interest in respect of this Note will be made by the Company in immediately available funds.

Additional provisions of this Note are contained on the reverse hereof, and such provisions shall have the same effect as though fully set forth in this place.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee for the Notes by manual signature, this Note shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, KRAFT FOODS INC. has caused this instrument to be duly executed under its corporate seal.

Dated: December 12, 2007

KRAFT FOODS INC.

By: \_\_\_\_\_  
Name: Timothy R. McLevish  
Title: Executive Vice President and Chief Financial Officer

[SEAL]

Attest:

By: \_\_\_\_\_  
Name: Carol J. Ward  
Title: Vice President and Corporate Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein described in the within-mentioned Indenture.

THE BANK OF NEW YORK,  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

KRAFT FOODS INC.

This Note is one of a duly authorized issue of debentures, notes or other evidences of indebtedness (hereinafter called the "Securities") of the Company of the series hereinafter specified, which series is limited in aggregate principal amount to \$500,000,000 (except as provided in the Indenture hereinafter mentioned), all such Securities issued and to be issued under an Indenture dated as of October 17, 2001 between the Company and The Bank of New York (as successor to The Chase Manhattan Bank), as Trustee (herein called the "Indenture"), to which Indenture and all other indentures supplemental thereto reference is hereby made for a statement of the rights and limitations of rights thereunder of the Holders of the Securities and of the rights, obligations, duties and immunities of the Trustee for each series of Securities and of the Company, and the terms upon which the Securities are and are to be authenticated and delivered. As provided in the Indenture, the Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest, if any, at different rates, may be subject to different redemption provisions, if any, may be subject to different sinking, purchase or analogous funds, if any, may be subject to different covenants and Events of Default and may otherwise vary as in the Indenture provided or permitted. This Note is one of a series of the Securities designated therein as 6.875% Notes due 2038 (the "Notes").

The Company may, without the consent of the Holders of the Notes, issue additional notes having the same ranking and the same interest rate, maturity and other terms as the Notes, except for the issue price, issue date and, in some cases, the first payment of interest or interest accruing prior to the issue date of such additional notes. Any additional notes having such similar terms, together with the Notes, shall constitute a single series of notes under the Indenture. No additional notes may be issued if an Event of Default has occurred with respect to the Notes.

**Change of Control**

If a Change of Control Triggering Event (as defined below) occurs, unless the Company has exercised its right to redeem the Notes, Holders may require the Company to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of their Notes pursuant to an offer (the "Change of Control Offer") of payment in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest, if any, on the Notes repurchased, to the date of purchase (the "Change of Control Payment"). Within 30 days following any Change of Control Triggering Event, the Company will mail a notice to Holders describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the Notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the "Change of Control Payment Date"), pursuant to the procedures described in such notice. The Company must comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934 (the "Exchange Act") and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or

regulations conflict with the Change of Control provisions of the Notes, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Notes by virtue of such conflicts.

On the Change of Control Payment Date, the Company will, to the extent lawful:

- accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
- deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
- deliver or cause to be delivered to the Trustee the Notes properly accepted together with an officers' certificate stating the aggregate principal amount of Notes or portions of Notes being purchased.

The paying agent will promptly mail to each Holder properly tendered the purchase price for the Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder a new note equal in principal amount to any unpurchased portion of any Notes surrendered; *provided* that each new note will be in a principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof.

The Company will not be required to make an offer to repurchase the Notes upon a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Company and such third party purchases all Notes properly tendered and not withdrawn under its offer.

For purposes of the foregoing discussion of a repurchase at the option of Holders, the following definitions are applicable:

“Below Investment Grade Rating Event” means the Notes are rated below an Investment Grade Rating by each of the Rating Agencies (as defined below) on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of the Change of Control (which 60-day period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies); *provided* that a below investment grade rating event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect to a particular Change of Control (and thus shall not be deemed a below investment grade rating event for purposes of the definition of Change of Control Triggering Event hereunder) if the rating agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the below investment grade rating event).

“Change of Control” means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its subsidiaries taken as a whole to any Person or group of related persons for purposes of Section 13(d) of the Exchange Act (a “Group”) other than the Company or one of its subsidiaries; (2) the approval by the holders of the Company’s common stock of any plan or proposal for the liquidation or dissolution of the Company (whether or not otherwise in compliance with the provisions of the indenture); (3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any Person or Group becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares of the Company’s voting stock; or (4) the first day on which a majority of the members of the Company’s Board of Directors are not Continuing Directors.

“Change of Control Triggering Event” means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

“Continuing Directors” means, as of any date of determination, any member of the Board of Directors of the Company who (1) was a member of such Board of Directors on the date of the issuance of the Notes; or (2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election (either by a specific vote or by approval of the Company’s proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

“Fitch” means Fitch Ratings.

“Investment Grade Rating” means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P, respectively.

“Moody’s” means Moody’s Investors Service, Inc.

“Person” has the meaning set forth in the indenture and includes a “person” as used in Section 13(d)(3) of the Exchange Act.

“Rating Agencies” means (1) each of Fitch, Moody’s and S&P; and (2) if any of Fitch, Moody’s or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of the Company’s control, a “nationally recognized statistical rating organization” within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act, selected by the Company (as certified by a resolution of the Company’s Board of Directors) as a replacement agency for Fitch, Moody’s or S&P, or all of them, as the case may be.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.



## **Payment of Additional Amounts**

Section 1010 of the Indenture shall be applicable to the Notes, except that the term “Holder,” when used in Section 1010 of the Indenture, shall mean the beneficial owner of a Note or any person holding on behalf or for the account of the beneficial owner of a Note.

## **Optional Redemption**

The Company may redeem the Notes prior to maturity in whole, but not in part, on not more than 60 days’ notice and not less than 30 days’ notice at a redemption price equal to the principal amount of such Notes plus any accrued interest and additional amounts to the date fixed for redemption if:

- as a result of a change in or amendment to the tax laws, regulations or rulings of the United States or any political subdivision or taxing authority of or in the United States or any change in official position regarding the application or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction in the United States) that is announced or becomes effective on or after December 12, 2007, the Company has or will become obligated to pay additional amounts with respect to such series of Notes as described in Section 1010 of the Indenture, or
- on or after December 12, 2007, any action is taken by a taxing authority of, or any decision has been rendered by a court of competent jurisdiction in, the United States or any political subdivision of or in the United States, including any of those actions specified above, whether or not such action was taken or decision was rendered with respect to the Company, or any change, amendment, application or interpretation is officially proposed, which, in any such case, in the written opinion of independent legal counsel of recognized standing, will result in a material probability that the Company will become obligated to pay additional amounts with respect to such series of Notes, and the Company in its business judgment determine that such obligations cannot be avoided by the use of reasonable measures available to the Company.

If the Company exercises its option to redeem the Notes, the Company will deliver to the Trustee a certificate signed by an authorized officer stating that it is entitled to redeem the Notes and an opinion of independent tax counsel to the effect that the circumstances described in the above bullets exist.

## **Defeasance**

The Indenture contains provisions for defeasance at any time of the entire principal of all the Securities of any series upon compliance by the Company with certain conditions set forth therein.

Certain of the Company’s obligations under the Indenture with respect to Notes, may be terminated if the Company irrevocably deposits with the Trustee money or Government

Obligations sufficient to pay and discharge the entire indebtedness on all Notes, as provided in the Indenture.

### **Events of Default**

If an Event of Default (other than an Event of Default described in Section 501(4) or 501(5) of the Indenture) with respect to the Notes shall occur and be continuing, then either the Trustee or the Holders of not less than 25% in principal amount of the Notes of this series then Outstanding may declare the entire principal amount of the Notes of this series due and payable in the manner and with effect provided in the Indenture. If an Event of Default specified in Section 501(4) or 501(5) occurs with respect to the Company, all of the unpaid principal amount and accrued interest then outstanding shall *ipso facto* become and be immediately due and payable in the manner with the effect provided in the Indenture without any declaration or other act by the Trustee or any Holder.

### **Amendments**

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities under the Indenture at any time by the Company with the consent of the Holders of more than 50% in aggregate principal amount of the Securities at the time Outstanding of each series issued under the Indenture to be affected thereby. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities of that series at the time Outstanding, on behalf of the Holders of all the Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences with respect to such series. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the transfer hereof or in exchange or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

### **Payment**

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein and in the Indenture prescribed.

### **Transfer, Registration and Exchange**

As provided in the Indenture and subject to certain limitations therein set forth, this Note is transferable on the Security Register of the Company, upon surrender of this Note for registration of transfer at the office or agency of the Company to be maintained for that purpose in the Borough of Manhattan, The City of New York, or at any other office or agency of the Company maintained for that purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by the

Holder hereof or his attorney duly authorized in writing, and thereupon one or more new notes, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes are issuable only in registered form without coupons in denominations of \$2,000 and any multiple of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Notes are exchangeable for a like aggregate principal amount of Notes of a like tenor and of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company, the Trustee for the Notes and any agent of the Company or such Trustee may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Note be overdue, and neither the Company, such Trustee nor any such agent shall be affected by notice to the contrary.

The Notes are not subject to a sinking fund.

**This Note shall for all purposes be governed by, and construed in accordance with, the laws of the State of New York.**

Certain terms used in this Note which are defined in the Indenture have the meanings set forth therein.

ASSIGNMENT FORM

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY NUMBER OR  
OTHER IDENTIFYING NUMBER OF ASSIGNEE

---

(Name and address of Assignee, including zip code, must be printed or typewritten)

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the within Note, and all rights thereunder, hereby irrevocably, constituting and appointing

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\_\_\_\_\_ Attorney  
to transfer the said Note on the books of Kraft Foods Inc. with full power of substitution in the premises.

Dated: \_\_\_\_\_

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NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.



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FOUNDED 1866

December 12, 2007

Kraft Foods Inc.  
 Three Lakes Drive  
 Northfield, Illinois 60093-2753

Re: Kraft Foods Inc.

\$2,000,000,000 aggregate principal amount of 6.125% Notes due 2018

\$1,000,000,000 aggregate principal amount of 6.875% Notes due 2038

Ladies and Gentlemen:

We are acting as counsel to Kraft Foods Inc., a Virginia corporation (the "Company"), in connection with the proposed issuance and sale by the Company of \$2,000,000,000 aggregate principal amount of its 6.125% Notes due 2018 and \$1,000,000,000 aggregate principal amount of its 6.875% Notes due 2038 (collectively, the "Notes") pursuant to the prospectus supplement dated December 5, 2007 (the "Prospectus Supplement") supplementing the prospectus dated December 4, 2007 (the "Base Prospectus") that forms part of the Company's Registration Statement on Form S-3 (File No. 333-147829) (the "Registration Statement") filed with the Securities and Exchange Commission (the "SEC") on December 4, 2007. As used in this letter, the term "Prospectus" means the Prospectus Supplement and the Base Prospectus, including the documents incorporated or deemed to be incorporated by reference therein pursuant to Item 12 of Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"). The Notes are to be issued under an Indenture dated as of October 17, 2001 (the "Indenture") between the Company and The Bank of New York Trust Company, N.A. (as successor to The Chase Manhattan Bank), as trustee (the "Trustee").

We have examined (i) the Prospectus, (ii) the Registration Statement, (iii) the Indenture, (iv) the Notes in global form, (v) the executed Terms Agreement dated December 5, 2007 between the Company and Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities Inc. and UBS Securities LLC, as representatives of the several underwriters named therein (the "Terms Agreement"), (vi) the Amended and Restated Underwriting Agreement dated December 5, 2007 incorporated by reference in the Terms Agreement (the "Underwriting Agreement"), (vii) certain resolutions of the Board of Directors of the Company adopted on October 4, 2007, as certified by the Assistant Secretary of the Company on the date hereof as being true, complete and correct and in full force and effect, relating to, among other things, the execution and delivery of the Terms Agreement, the delivery

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of the Underwriting Agreement and the issuance and sale of the Notes (the "Board Resolutions"), and (viii) the officers' certificate dated as of the date hereof executed by duly authorized officers of the Company establishing the terms of the Notes pursuant to the Board Resolutions. We also have examined such records, documents and questions of law, and satisfied ourselves as to such matters of fact, as we have considered relevant and necessary as a basis for the opinion set forth below.

In rendering the opinion set forth below, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as duplicates or certified or conformed copies, and the authenticity of the originals of such latter documents. We also have assumed that the Indenture is the valid and legally binding obligation of the Trustee.

Based on the foregoing and subject to the qualifications and limitations set forth below, we are of the opinion that the Notes will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms (except to the extent enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws affecting the enforcement of creditors' rights generally and by the effect of general principles of equity, regardless of whether enforceability is considered in a proceeding in equity or at law) when the Notes shall have been duly executed by the Company and authenticated by the Trustee as provided in the Indenture and the Board Resolutions and shall have been duly delivered to the purchasers thereof against payment of the agreed consideration therefor.

This opinion letter is limited to the federal laws of the United States of America, the laws of the State of New York and the Virginia Stock Corporation Act.

We do not find it necessary for the purposes of this opinion letter to cover, and accordingly we express no opinion as to, the application of the securities or blue sky laws of the various states or the District of Columbia to sales of the Notes.

We hereby consent to the filing of this opinion letter as an Exhibit to the filing by the Company of a Current Report on Form 8-K on the date hereof, which Form 8-K will be incorporated by reference into the Registration Statement, and to all references to our firm included in or made a part of the Prospectus. In giving such consent, we do not thereby admit that we are within the category of persons whose consent is required by Section 7 of the Securities Act or the related rules promulgated by the SEC.

Very truly yours,

/s/ Sidley Austin LLP  
Sidley Austin LLP