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**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): May 22, 2008**

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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 (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01. Other Events.**

On May 22, 2008, Kraft Foods Inc. (the “Company” or “Kraft”) expects to issue \$1,250,000,000 aggregate principal amount of its 6.125% Notes due 2018 (the “2018 Notes”) and \$750,000,000 aggregate principal amount of its 6.875% Notes due 2039 (the “2039 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 Deutsche Bank Trust Company Americas (as successor trustee to The Bank of New York and The Chase Manhattan Bank), as trustee, as supplemented by an Officers’ Certificate, dated May 22, 2008 (the “Officers’ Certificate”).

In connection with the issuance of the Notes, on May 19, 2008, 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 filed with 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 May 19, 2008 (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 2018 Notes is payable semiannually on February 23 and August 23, commencing February 23, 2009, to holders of record on the preceding February 8 and August 8, as the case may be. Interest on the 2039 Notes is payable semiannually on January 26 and July 26, commencing January 26, 2009, to holders of record on the preceding January 11 and July 11, 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 August 23, 2018 and the 2039 Notes will mature on January 26, 2039.

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 2039 Notes, each of which is incorporated herein by reference and filed with 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 the Company’s \$4.5 billion five-year revolving credit agreement, dated as of April 15, 2005 (the “five-year facility agreement”) and the Company’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 facility agreement, and

JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities Inc., is administrative agent under the five-year facility 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 facility agreement. Credit Suisse, Cayman Islands Branch is syndication agent under the five-year facility 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 the Company in connection with the Company's acquisition of Groupe Danone's global biscuit business. Goldman, Sachs & Co. is acting as a financial advisor to the Company in connection with the Company'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 the Company's share repurchase program.

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

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

<u>Exhibit Number</u>	<u>Description</u>
1.1	Amended and Restated Underwriting Agreement, dated December 5, 2007 (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 12, 2007).
1.2	Terms Agreement, dated May 19, 2008, 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 May 22, 2008, 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 2039.
5.1	Opinion dated May 22, 2008 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.

Date: May 22, 2008

KRAFT FOODS INC.

/s/ Carol J. Ward

Name: Carol J. Ward

Title: Vice President and Corporate Secretary

## EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
1.1	Amended and Restated Underwriting Agreement, dated December 5, 2007 (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 12, 2007).
1.2	Terms Agreement, dated May 19, 2008, 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 May 22, 2008, 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 2039.
5.1	Opinion dated May 22, 2008 of Sidley Austin LLP.

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

**Debt Securities**

**TERMS AGREEMENT**

May 19, 2008

To: The Representatives of the Underwriters identified herein

Ladies and Gentlemen:

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 2039 (the “**2039 Notes**” and together with the 2018 Notes, the “**Notes**”).

**Aggregate Principal Amount:**

In the case of the 2018 Notes, \$1,250,000,000.

In the case of the 2039 Notes, \$750,000,000.

**Interest:**

In the case of the 2018 Notes, 6.125% per annum, from May 22, 2008, payable semiannually in arrears on February 23 and August 23, to holders of record on the preceding February 8 or August 8, as the case may be, commencing February 23, 2009.

In the case of the 2039 Notes, 6.875% per annum, from May 22, 2008, payable semiannually in arrears on January 26 and July 26, to holders of record on the preceding January 11 or July 11, as the case may be, commencing January 26, 2009.

Interest on the 2018 Notes and the 2039 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, August 23, 2018.

In the case of the 2039 Notes, January 26, 2039.

**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 Deutsche Bank Trust Company Americas (as successor trustee to The Bank of New York who was 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 May 19, 2008 (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, 98.676% of the principal amount of the 2018 Notes, plus accrued interest, if any, from May 22, 2008.

In the case of the 2039 Notes, 97.802% of the principal amount of the 2039 Notes, plus accrued interest, if any, from May 22, 2008.



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**Expected Reoffering Price:**

In the case of the 2018 Notes, 99.126% of the principal amount of the 2018 Notes plus accrued interest, if any, from May 22, 2008.

In the case of the 2039 Notes, 98.677% of the principal amount of the 2039 Notes plus accrued interest, if any, from May 22, 2008

**Additional Agreements of the Company:**

Not applicable.

**OTHER MATTERS****Closing:**

9:00 A.M., New York City time, on May 22, 2008, 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 3:20 p.m. (Eastern time) on May 19, 2008.

Section 1 of the Underwriting Agreement is amended to replace the phrase "The Bank of New York (as successor to The Chase Manhattan Bank)" with "Deutsche Bank Trust Company Americas (as successor trustee to The Bank of New York who was successor trustee to The Chase Manhattan Bank)."

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

*[Signature Page to Terms Agreement]*

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

CREDIT SUISSE SECURITIES (USA) LLC

By: /s/ Helena Willner  
Name: Helena Willner  
Title: Director

GOLDMAN, SACHS & CO.

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

HSBC SECURITIES (USA) INC.

By: /s/ Maureen K. Sweeny  
Name: Maureen K. Sweeny  
Title: Vice President

J.P. MORGAN SECURITIES INC.

By: /s/ Robert Bottamedi  
Name: Robert Bottamedi  
Title: Vice President

*[Signature Page to Terms Agreement]*

UBS SECURITIES LLC

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

By: /s/ John Doherty  
Name: John Doherty  
Title: Managing Director  
UBS Securities LLC

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

*[Signature Page to Terms Agreement]*

**SCHEDULE A**

<u>Underwriter</u>	<b>\$1,250,000,000 Principal Amount of 6.125% Notes due 2018</b>	<b>\$750,000,000 Principal Amount of 6.875% Notes due 2039</b>
Credit Suisse Securities (USA) LLC	\$ 168,750,000	\$ 101,250,000
Goldman, Sachs & Co.	\$ 168,750,000	\$ 101,250,000
HSBC Securities (USA) Inc.	\$ 168,750,000	\$ 101,250,000
J.P. Morgan Securities Inc.	\$ 168,750,000	\$ 101,250,000
UBS Securities LLC	\$ 168,750,000	\$ 101,250,000
SG Americas Securities, LLC	\$ 168,750,000	\$ 101,250,000
BNP Paribas Securities Corp.	\$ 50,000,000	\$ 30,000,000
Greenwich Capital Markets, Inc.	\$ 50,000,000	\$ 30,000,000
Lehman Brothers Inc.	\$ 50,000,000	\$ 30,000,000
Wachovia Capital Markets, LLC	\$ 50,000,000	\$ 30,000,000
Blaylock Robert Van, LLC	\$ 12,500,000	\$ 7,500,000
CastleOak Securities, L.P.	\$ 12,500,000	\$ 7,500,000
The Williams Capital Group, L.P.	\$ 12,500,000	\$ 7,500,000
Total	\$ 1,250,000,000	\$ 750,000,000

## KRAFT FOODS INC.

OFFICERS' CERTIFICATE

May 22, 2008

Reference is made to Section 301 of the Indenture dated as of October 17, 2001, between Kraft Foods Inc. (the "Company") and Deutsche Bank Trust Company Americas (as successor to The Bank of New York and The Chase Manhattan Bank), as Trustee (the "Indenture"), the Terms Agreement dated May 19, 2008 (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 \$1,250,000,000 aggregate principal amount of its 6.125% Notes due 2018 and \$750,000,000 aggregate principal amount of its 6.875% Notes due 2039 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 the Executive Vice President and Chief Financial Officer has authorized the issue and sale of the Notes by the Company, and, in connection with such issue, has 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 2039 (the "2039 Notes"), (collectively, the "Notes").
- b) Principal Amount: In the case of the 2018 Notes, \$1,250,000,000 and in the case of the 2039 Notes, \$750,000,000.
- c) Interest: In the case of the 2018 Notes, 6.125% per annum, from May 22, 2008, payable semiannually on February 23 and August 23, commencing February 23, 2009, to holders of record on the preceding February 8 or August 8, as the case may be. In the case of the 2039 Notes, 6.875% per annum, from May 22, 2008, payable semiannually on January 26 and July 26, commencing January 26, 2009, to holders of record on the preceding January 11 or July 11, 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, August 23, 2018 and in the case of the 2039 Notes, January 26, 2039.
- 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 and A-5.

- g) Optional Redemption: The Company may, at its option, redeem the Notes of each series 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 and A-5. 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, 98.676% of principal amount of the 2018 Notes, plus accrued interest, if any, from May 22, 2008 and in the case of the 2039 Notes, 97.802% of principal amount of the 2039 Notes, plus accrued interest, if any, from May 22, 2008.
- 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: Deutsche Bank Trust Company Americas.
- n) Form of Notes: Attached as Exhibit C to the Secretary's Certificate dated as of May 22, 2008 and delivered in connection with the delivery of the Notes.
- o) Price to Public: In the case of the 2018 Notes, 99.126% of principal amount of the 2018 Notes; and in the case of the 2039 Notes, 98.677% of principal amount of the 2039 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 date first written above.

**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 AV6

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 August 23, 2018, and to pay interest thereon from May 22, 2008 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on February 23 and August 23 in each year, commencing February 23, 2009, 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 February 8 or August 8 (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: May \_\_, 2008

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.

DEUTSCHE BANK TRUST COMPANY AMERICAS,  
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 Deutsche Bank Trust Company Americas (as successor to The Bank of New York and 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 May 22, 2008, 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 May 22, 2008, 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: \_\_\_\_\_

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 2039

representing

\$500,000,000

CUSIP No. 50075N AW4

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 January 26, 2039, and to pay interest thereon from May 22, 2008 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on January 26 and July 26 in each year, commencing January 26, 2009, 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 11 or July 11 (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: May \_\_, 2008

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.

DEUTSCHE BANK TRUST COMPANY AMERICAS,  
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 Deutsche Bank Trust Company Americas (as successor to The Bank of New York and 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 2039 (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 May 22, 2008, 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 May 22, 2008, 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)

---

---

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

---

---

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

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

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

May 22, 2008

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

Re: Kraft Foods Inc.

\$1,250,000,000 aggregate principal amount of 6.125% Notes due 2018  
 \$750,000,000 aggregate principal amount of 6.875% Notes due 2039

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 \$1,250,000,000 aggregate principal amount of its 6.125% Notes due 2018 and \$750,000,000 aggregate principal amount of its 6.875% Notes due 2039 (collectively, the "Notes") pursuant to the prospectus supplement dated May 19, 2008 (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 Deutsche Bank Trust Company Americas (as successor to The Bank of New York and 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 May 19, 2008 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 July 2, 2007 and October 4, 2007, as certified by the Vice President and Corporate 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 of the Underwriting Agreement and the issuance and sale of the Notes (the "Board Resolutions"),

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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