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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 28, 2009**

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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 7.01. Regulation FD Disclosure.**

Members of management of Kraft Foods Inc. will meet with members of Sanford C. Bernstein on May 28, 2009. During the meeting, Kraft Foods' management is expected to reaffirm previously issued guidance for fiscal 2009 including organic net revenue growth of approximately 3 percent and diluted earnings per share of \$1.88. Management will also provide data showing that, by rebuilding brand equity, Kraft Foods has been able to narrow the gap between cumulative pricing and cumulative input cost increases since 2003. The slide presentation, including Regulation G reconciliations, used in the meeting is attached as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

This Form 8-K contains forward-looking statements regarding our 2009 guidance, in particular, that we are still targeting organic revenue growth of approximately 3 percent and that we remain confident in delivering EPS of \$1.88. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those predicted in any such forward-looking statements. Such factors, include, but are not limited to, continued volatility in input costs, pricing actions, increased competition, our ability to differentiate our products from private label products, increased costs of sales, the shift in our product mix to lower margin offerings, risks from operating internationally, failure to grow in developing markets and tax law changes. For additional information on these and other factors that could affect our forward-looking statements, see our filings with the SEC, including our most recently filed Annual Report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. We disclaim and do not undertake any obligation to update or revise any forward-looking statement in this Form 8-K.

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

(d) The following exhibit is being furnished with this Current Report on Form 8-K.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Kraft Foods Inc. Sanford C. Bernstein Strategic Decisions Conference Slide Presentation, dated May 28, 2009.

**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: May 28, 2009

/s/ Timothy R. McLevish

Name: Timothy R. McLevish

Title: Executive Vice President and Chief Financial Officer

# Kraft Foods

Sanford C. Bernstein  
Strategic Decisions  
Conference

May 28, 2009



# Forward-looking statements

This slide presentation contains forward-looking statements including our four strategies to return Kraft Foods to sustainable growth; that creating a high-performing organization will drive profitable growth in every region of the world; that we are restoring the power of our portfolio; that we are revitalizing new product growth through platform-based innovation; strengthening our category mix; investing where it matters most; our fundamentals are strong and getting stronger; our wall-to-wall program is a source of sustainable competitive advantage; we are taking wall-to-wall to the next level and it is driving additional revenue; expanding our reach to grow in growing channels and market share; investing to improve coverage in traditional trade in developing markets; well positioned to grow our business around the world; that we are driving sustainable savings and continuous improvement programs; our strategies are working; that we are successfully navigating the abrupt shift from unprecedented cost spikes and pricing to exceptional consumer weakness, in particular, by driving cost savings to build brands, leveraging our portfolio for competitive advantage at retail and focusing investment priority categories, brands and markets; that we are on track to deliver 2009 guidance; we are still targeting organic revenue growth of approximately 3 percent and carryover pricing will contribute more than half of growth; we remain confident in delivering EPS of \$1.88 with double-digit constant currency growth; that as 2009 unfolds, market share will improve, volume/mix will strengthen and profit margins will expand; that we are starting to deliver against our long-term growth model, where pricing and productivity will cover input costs and volume growth, improved product mix and overhead leverage will drive higher operating margins; our expectation with regard to organic revenue growth, manufacturing, overhead leverage, cash flow leverage and tax rate; our long-term EPS growth; and expectations regarding discretionary cash flow. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those predicted in any such forward-looking statements. Such factors, include, but are not limited to, continued volatility in input costs, pricing actions, increased competition, our ability to differentiate our products from private label products, increased costs of sales, the shift in our product mix to lower margin offerings, risks from operating internationally, failure to grow in developing markets and tax law changes. For additional information on these and other factors that could affect our forward-looking statements, see our filings with the SEC, including our most recently filed Annual Report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. We disclaim and do not undertake any obligation to update or revise any forward-looking statement in this slide presentation.

**kraft** foods

# Agenda

- Company Overview
- Strategic Turnaround
- Financial Turnaround

## Kraft has significant global scale

\$42 billion in revenue

World's #2 food company

#1 in North America

Sales in 150 countries

Operations in 70+ countries

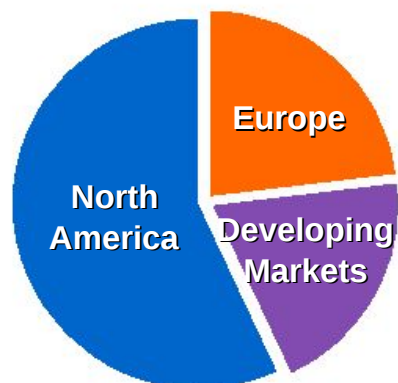
Approximately 100,000 employees

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# Our portfolio today

Net Revenue by Geography

- Approximately 40% of revenue outside North America



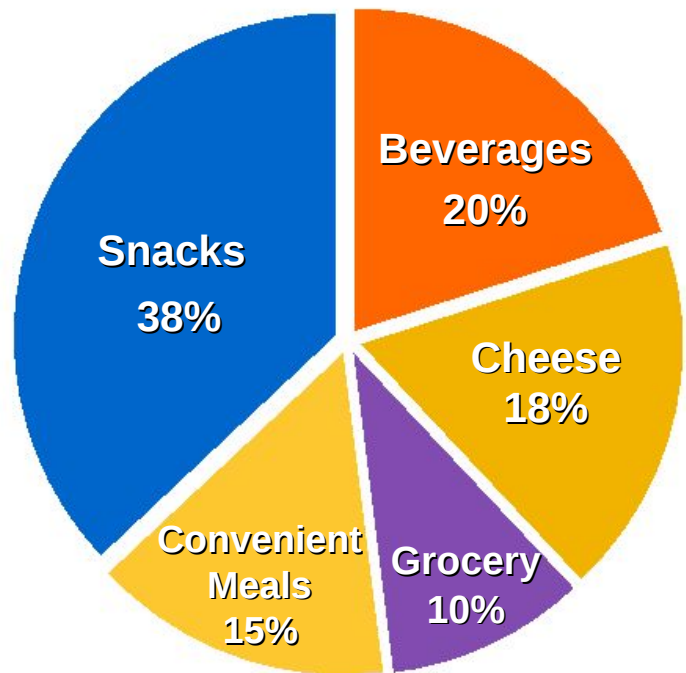
- More than 80% of revenue from #1 share positions
- More than 50% of revenue from categories where market share is 2x the nearest competitor

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# We compete in five consumer sectors ...

- Snacks
- Beverages
- Cheese
- Grocery
- Convenient Meals



*May not add due to rounding*

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# ... with a strong portfolio of iconic brands

- 9 brands over \$1 billion
- 50+ brands over \$100 million



## Entering 2007, several big opportunities

- Create a high-performance culture
- Restore the power of our portfolio
- Leverage our scale in the marketplace
- Drive sustainable savings
- Return Kraft to sustainable earnings growth

kraft foods

# Four strategies to return Kraft Foods to sustainable growth

Rewire for Growth

Reframe Categories

Exploit Sales Capabilities

Balance Cost & Quality

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# Rewire for Growth

Creating a  
high-performing  
organization

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# Creating a high-performing organization

- Strengthened senior leadership team
- Decentralized to create autonomous business units
- Revised incentive systems with right metrics

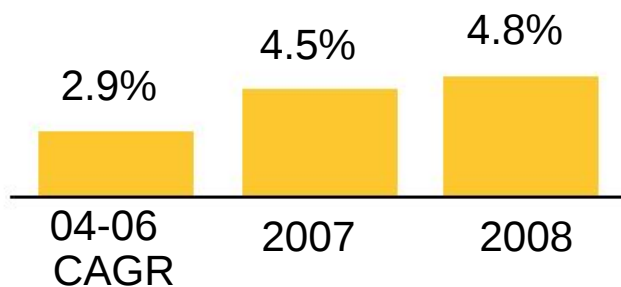


**Drive profitable growth in every region of the world**

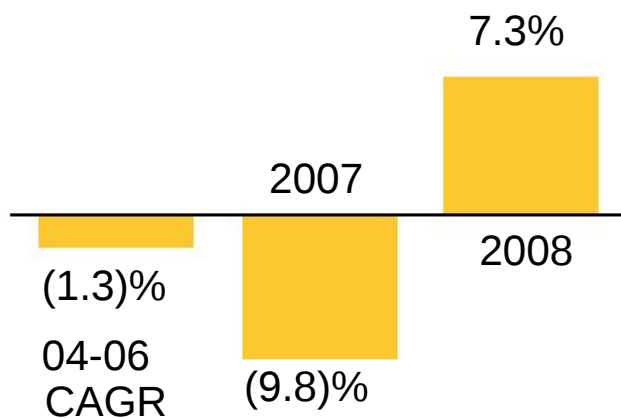
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# North America: Both top-line and bottom-line growth

## Organic Revenue Growth\*



## Operating Income Growth (ex items)\*

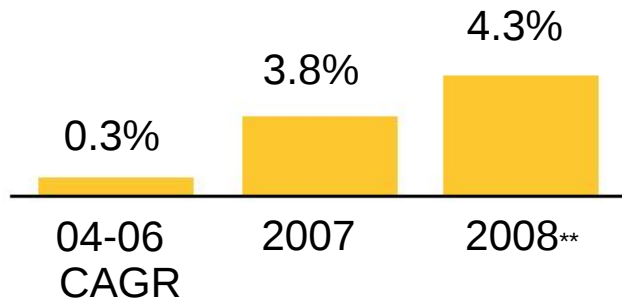


\* Does not reflect restated reportable business segments and certain financial reporting changes for 2009, as described in the company's Form 8-K dated March 25, 2009 and Form 10-Q for the three months ended March 31, 2009. See GAAP to Non-GAAP reconciliations at the end of this presentation.

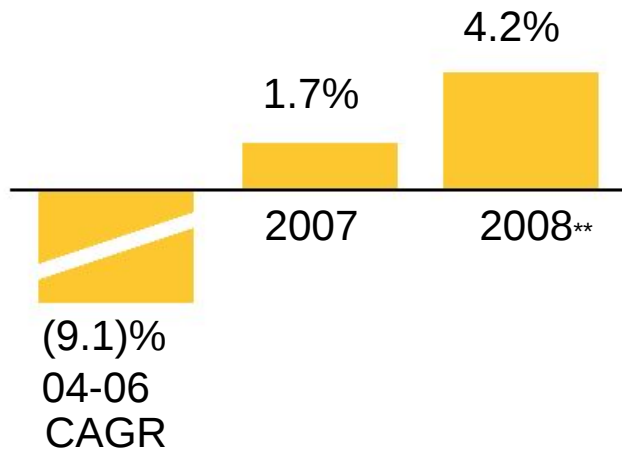


# European Union: Solid returns from focus

Organic Revenue Growth\*



Operating Income Growth (ex items)\*



\* Does not reflect restated reportable business segments and certain financial reporting changes for 2009, as described in the company's Form 8-K dated March 25, 2009 and Form 10-Q for the three months ended March 31, 2009. See GAAP to Non-GAAP reconciliations at the end of this presentation.

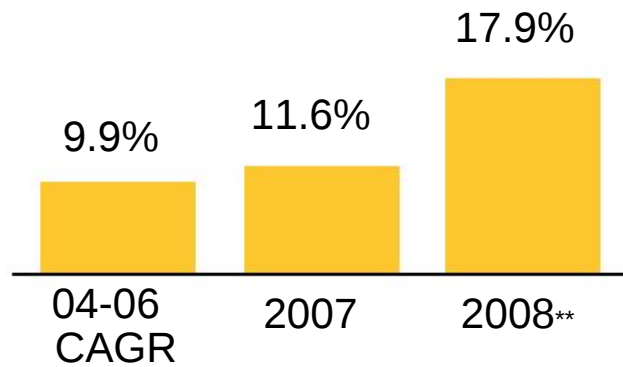
\*\* Proforma growth with LU biscuit; see GAAP to Non-GAAP reconciliations at the end of this presentation



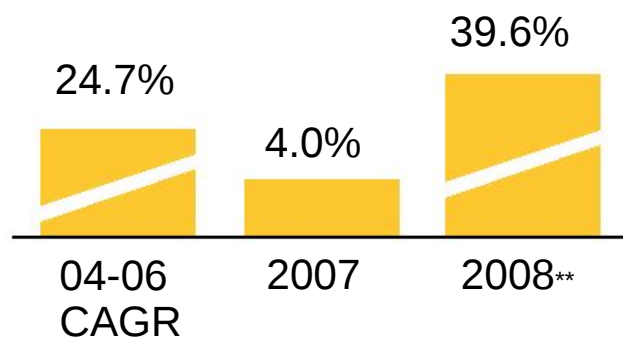


# Developing Markets: Rapid acceleration

Organic Revenue Growth\*



Operating Income Growth (ex items)\*



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\*\* Proforma growth with LU biscuit; see GAAP to Non-GAAP reconciliations at the end of this presentation





# Reframe Categories

Restoring the power  
of our portfolio

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# Growth diamond guiding investments

- New product growth from platform-based innovation

## Quick Meals



## Health & Wellness



## Snacking



## Premium



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# Growth diamond guiding investments

- Increasing value-oriented marketing

## Beverages



Powdered Beverages vs Carbonated Soft Drinks

## Grocery



Inherently Economical



"60 Under 60"

## Cheese



"Goodness Squared"



Value vs Naturals

## Convenient Meals



Deli Shaved vs Leading Deli Brand



DiGiornonomics

## Customer Relationship Marketing



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# Strengthening category mix

- Reframing our portfolio

## Divestitures



\$1.6B Net Revenue  
0.2% growth

## Acquisitions



\$3.2B Net Revenue  
5.1% growth

## Pruning



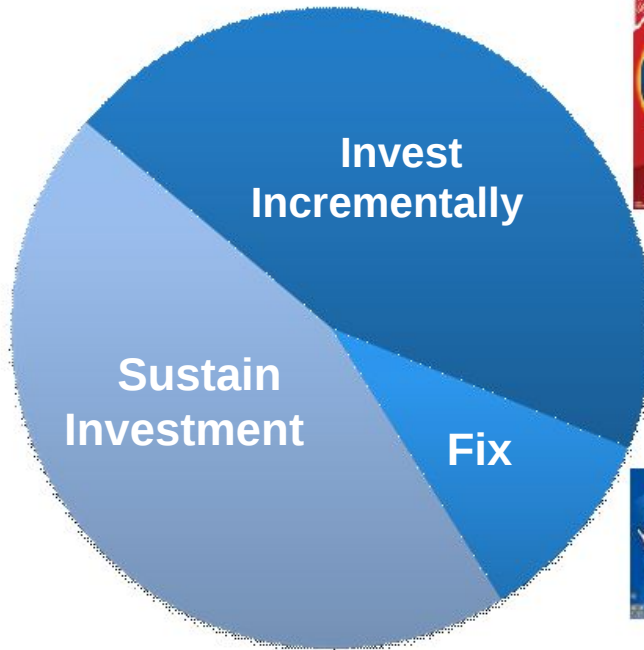
\$300M Net Revenue  
1.3% of global volume  
\$(4) million OI

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# Investing where it matters most

- North America prioritizing investments

## Category Portfolio Roles

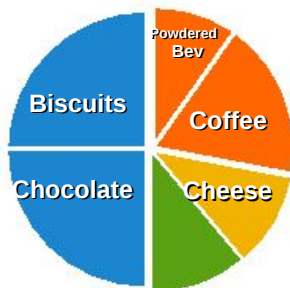


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# Investing where it matters most

- Focused international investments

## 2008 Like-for-like Revenue Growth \*



\* Proforma with LU biscuit, constant currency

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# Restoring the power of our portfolio

- Growth diamond guiding investments
- Strengthening our category mix
- Investing where it matters most



Fundamentals are strong...  
and getting stronger

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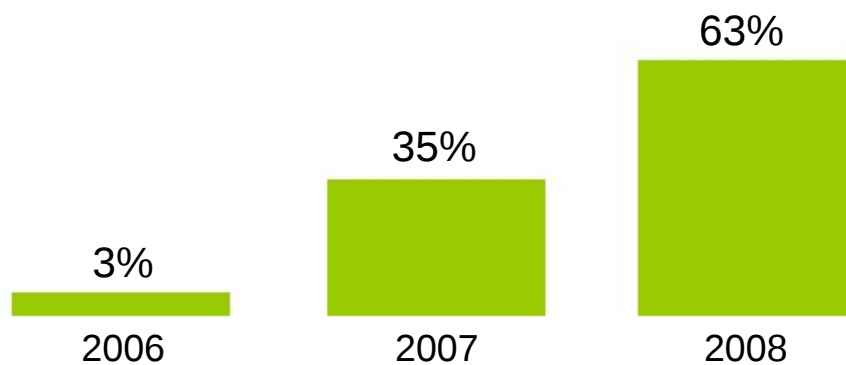
# Exploit Sales Capabilities

Leveraging our scale  
in the marketplace

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# Established Wall-to-Wall in the U.S.

## Percent U.S. ACV (Distribution)



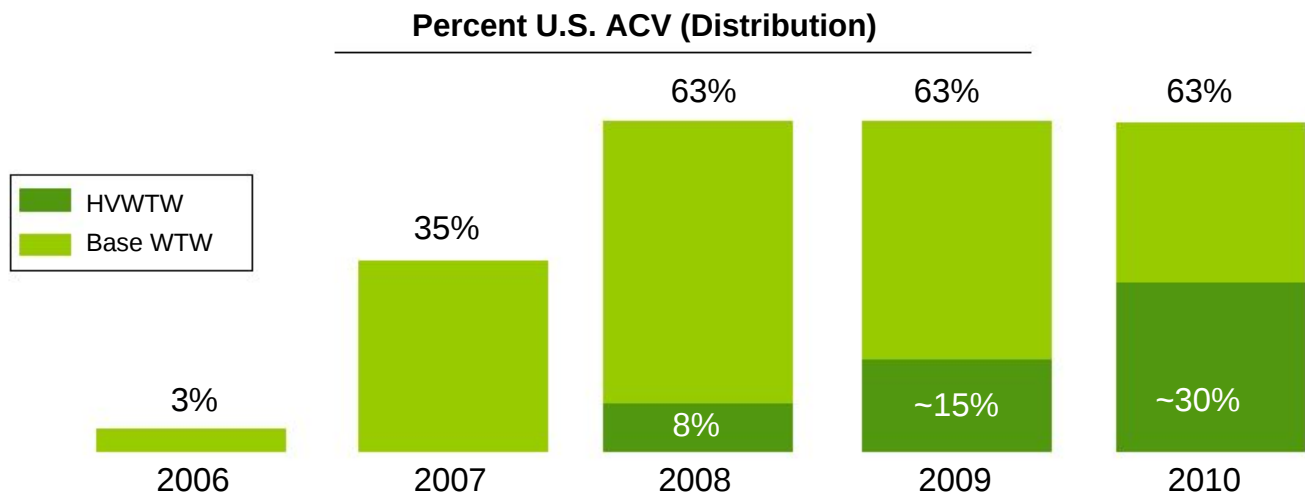
- Program to enhance in-store effectiveness
  - One sales rep handles entire Kraft portfolio
- Source of sustainable competitive advantage
  - Drove ~1pp of incremental revenue

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# Taking Wall-to-Wall to the next level

- High Visibility Wall-to-Wall

- Fewer stores per rep
- Additional merchandiser hours
- Driving an additional ~1pp of revenue vs. base Wall-to-Wall stores



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# Improving customer collaboration

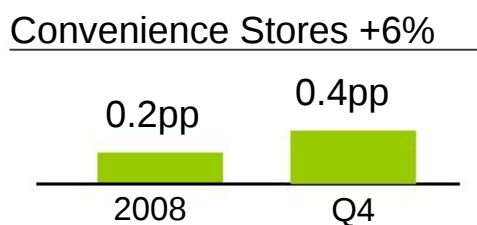
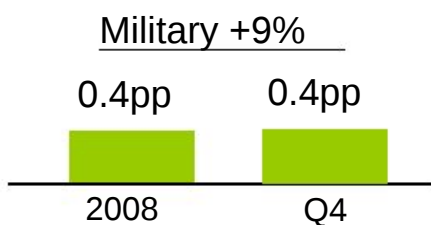
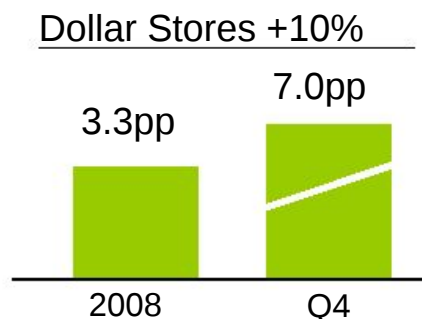
- Led to double digit growth with global customers



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# Expanding our reach to grow in growing channels

## Kraft Foods U.S. Category Growth and Share Change



# Expanding our reach to grow market share

- Investing to improve coverage in traditional trade in developing markets
  - Gaining distribution and improving in-store execution
  - Expanding power brands geographically
  - Leveraging the portfolio to cover multiple price points



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# Leveraging our scale in the marketplace

- Taking Wall-To-Wall to the next level
- Improving customer collaboration
- Expanding our reach to grow market share



Well positioned to grow our business  
around the world

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# Balance Costs and Quality

Driving sustainable  
savings

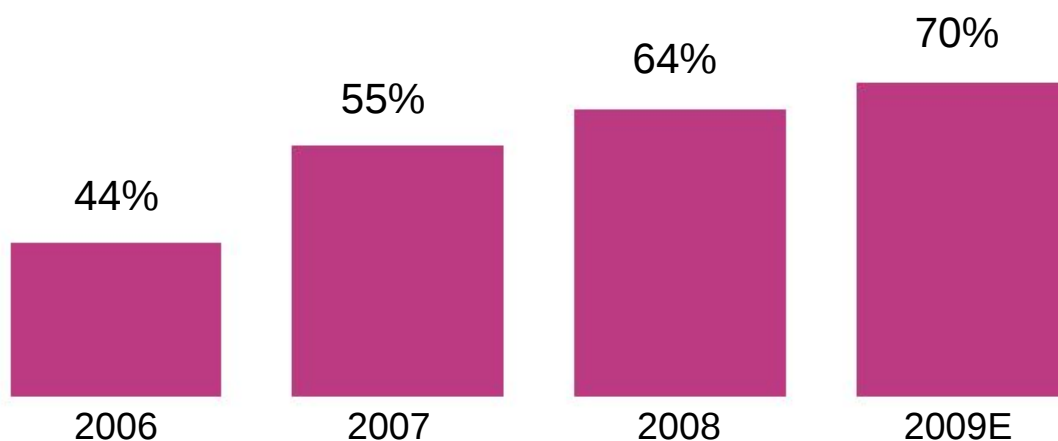
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# Using quality as an offensive weapon

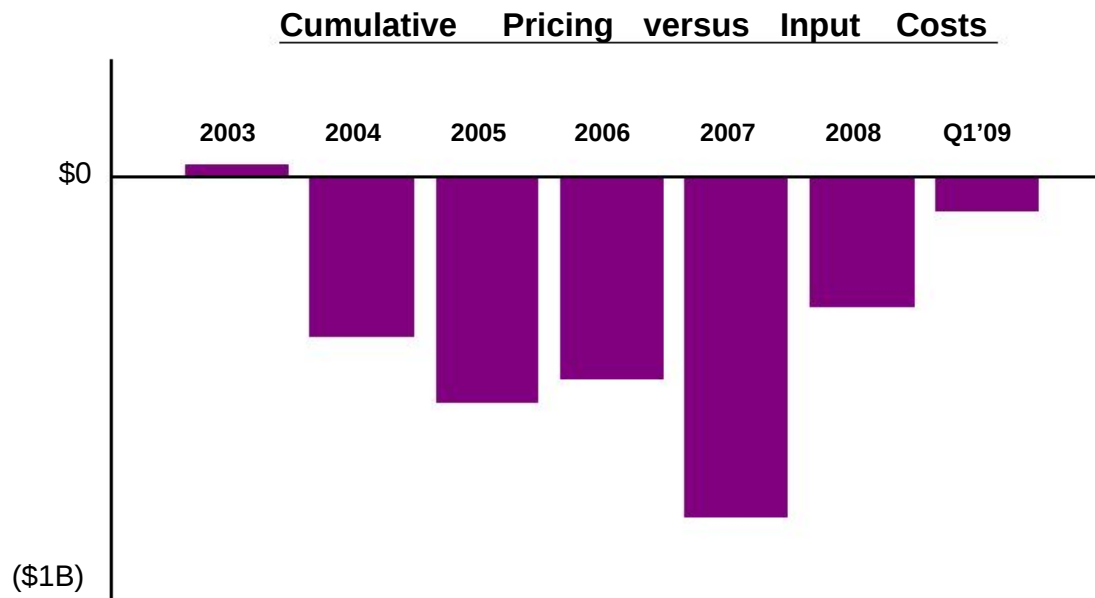
- Moving from parity to vastly preferred

Percent of products preferred to competition



# Restored our Pricing Power

- Rebuilt brand equity to point where pricing and productivity can cover input cost inflation

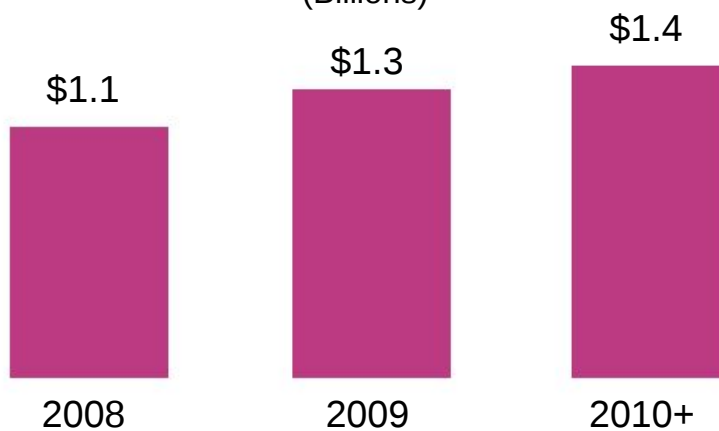


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# Utilizing tailwind of Restructuring Program

## Cumulative Annualized Savings

(Billions)



- Streamlined manufacturing
  - 36 plants closed
- Simplified organization
  - 19,000 positions being eliminated

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# Utilizing tailwind of Restructuring Program

- Close price gaps
- Upgrade product quality
- Increase share of voice
- Rebuild new product pipeline

# Continuous improvement programs

- End-to-End approach
- Total network optimization
- Implement SAP as core transactional system

# Our strategies are working

Rewire for  
Growth

Reframe  
Categories

Exploit  
Sales  
Capabilities

Balance  
Cost &  
Quality

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## Very solid start to 2009

- Successfully navigating the abrupt shift from unprecedented cost spikes and pricing ... to exceptional consumer weakness
  - Driving cost savings to build brands
  - Leveraging our portfolio for competitive advantage at retail
  - Focusing investment on priority categories, brands, markets
- Q1 organic net revenues grew 2.3%\*
  - (1.6)pp due to Easter shift and product line discontinuations
- Q1 OI margin increased 290 bps to 13.5%
  - Margin expansion in nearly every business segment

\* See GAAP to Non-GAAP reconciliations at the end of this presentation

## On track to deliver 2009 guidance

- Targeting organic revenue growth ~3%
  - Carryover pricing will contribute more than half of growth
  - Begin to lap most 2008 pricing in Q2; product line discontinuation actions in H2
  - Expect vol/mix to improve as year progresses
- Remain confident in delivering diluted EPS of \$1.88
  - Double-digit constant currency growth vs 2008 ex-items EPS

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## Steady progress in turnaround

- 2007: Rejuvenated top-line growth
- 2008: Grew both top and bottom lines
- 2009: Build profit margins and market share



As 2009  
unfolds

Market share will improve

Volume/mix will strengthen

Profit margins will expand for the year

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## Starting to deliver against our long-term growth model

- Pricing + productivity cover input costs
- Volume growth, improved product mix and overhead leverage drive higher operating margins

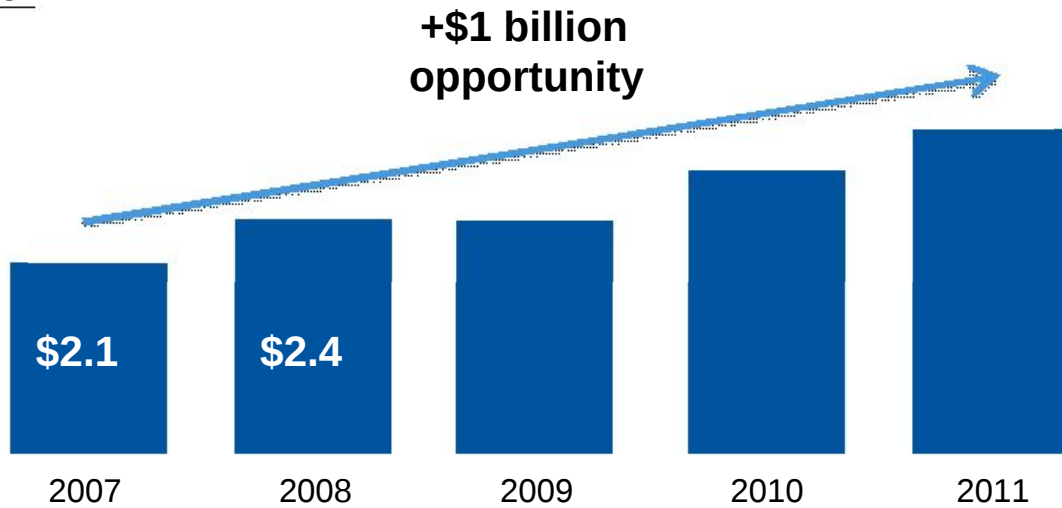


Organic Revenue Growth	4%+
Manufacturing, Overhead Leverage	2-3pp
Cash Flow Leverage & Tax Rate	1-2pp
<b>Long-Term EPS Growth</b>	<b>7-9%</b>

# Improving cash generation

## Discretionary Cash Flow\*

\$ Billions



\* Excluding Post cereals and adjusted for the timing of payment of deferred interest; see GAAP to Non-GAAP reconciliation at the end of this presentation.

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# kraft foods

*Make today **delicious***

# GAAP to Non-GAAP Reconciliation

## Net Revenue Growth \*

(Unaudited)

	<u>As Reported (GAAP)</u>	<u>Impact of Divestitures / Other</u>	<u>Impact of Acquisitions</u>	<u>Impact of Currency</u>	<u>Organic (Non- GAAP)</u>
<b><u>For the Years Ended:</u></b>					
December 31, 2005					
North America	5.5%	0.4pp	0.0pp	(0.9)pp	5.0%
European Union	3.2%	1.1pp	0.0pp	(3.1)pp	1.2%
Developing Markets	14.1%	0.6pp	0.0pp	(4.6)pp	10.1%
December 31, 2006					
North America	(0.8)%	2.3pp	0.0pp	(0.7)pp	0.8%
European Union	(0.6)%	(0.2)pp	(1.1)pp	1.3pp	(0.6)%
Developing Markets	11.4%	0.5pp	0.0pp	(2.1)pp	9.8%
<hr/>					
<b>Compound Annual Growth Rate, 2004 - 2006:</b>					
North America					<b>2.9%</b>
European Union					<b>0.3%</b>
Developing Markets					<b>9.9%</b>

\* Does not reflect restated reportable business segments and certain financial reporting changes for 2009, as described in the company's Form 8-K dated March 25, 2009 and Form 10-Q for the three months ended March 31, 2009.

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# GAAP to Non-GAAP Reconciliation

## Net Revenues \*

For the Twelve Months Ended December 31,  
(\$ in millions) (Unaudited)

	As Reported (GAAP)	Impact of Divestitures	Impact of Acquisitions	Impact of Currency	Organic (Non- GAAP)	LU Biscuit	LU Biscuit - Impact of Currency	Organic including LU Biscuit (Non- GAAP)	% Change			
									As Reported (GAAP)	Organic (Non-GAAP)	Organic including LU Biscuit (Non- GAAP)	
<b>2008 Reconciliation</b>												
North America	\$ 23,956	\$ -	\$ (20)	\$ (56)	\$ 23,880	\$ 20	\$ -	\$ 23,900	4.7%	4.8%	4.9%	
European Union	11,259	(230)	(2,624)	(488)	7,917	2,624	(279)	10,262	41.6%	4.0%	4.3%	
Developing Markets	6,986	-	(535)	(181)	6,270	535	(23)	6,782	31.6%	18.1%	17.9%	
<b>2007 Reconciliation</b>												
North America	\$ 22,876	\$ (96)	\$ -	\$ -	\$ 22,780	\$ -	\$ -	\$ 22,780				
European Union	7,951	(338)	-	-	7,613	2,226 *	-	9,839				
Developing Markets	5,307	-	-	-	5,307	443 *	-	5,750				
<b>2007 Reconciliation</b>												
North America	\$ 22,876	\$ (96)	\$ -	\$ (113)	\$ 22,667				3.7%	4.5%		
European Union	7,951	(338)	(226)	(682)	6,705				19.2%	3.8%		
Developing Markets	5,307	-	(7)	(250)	5,050				17.2%	11.6%		
<b>2006 Reconciliation</b>												
North America	\$ 22,060	\$ (369)	\$ -	\$ -	\$ 21,691							
European Union	6,669	(209)	-	-	6,460							
Developing Markets	4,527	-	-	-	4,527							

\* Proforma 2007 LU Biscuit Net Revenues

\* Does not reflect restated reportable business segments and certain financial reporting changes for 2009, as described in the company's Form 8-K dated March 25, 2009 and Form 10-Q for the three months ended March 31, 2009.

# GAAP to Non-GAAP Reconciliation

## Operating Income Growth \*

(Unaudited)

	<u>As Reported (GAAP)</u>	<u>Asset Impairment, Exit and Implementati on Costs - Restructuring</u>	<u>Asset Impairments / Other Expenses - Non- Restructuring</u>	<u>(Gains) / Losses on Divestitures, net</u>	<u>Excluding Items (Non- GAAP)</u>
<b><u>For the Years Ended:</u></b>					
December 31, 2005					
North America	(1.8)%	(7.5)pp	6.6pp	0.0pp	(2.7)%
European Union	4.7%	(5.7)pp	0.0pp	(12.5)pp	(13.5)%
Developing Markets	66.5%	(3.0)pp	(31.0)pp	(1.8)pp	30.7%
December 31, 2006					
North America	(1.8)%	6.1pp	(1.0)pp	(3.1)pp	0.2%
European Union	(24.0)%	16.3pp	19.6pp	(16.4)pp	(4.5)%
Developing Markets	5.2%	12.5pp	2.7pp	(1.5)pp	18.9%
<b><u>Compound Annual Growth Rate, 2004 - 2006:</u></b>					
North America					(1.3)%
European Union					(9.1)%
Developing Markets					24.7%

\* Does not reflect restated reportable business segments and certain financial reporting changes for 2009, as described in the company's Form 8-K dated March 25, 2009 and Form 10-Q for the three months ended March 31, 2009.

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# GAAP to Non-GAAP Reconciliation

## Operating Income\*

For the Twelve Months Ended December 31,  
(\$ in millions) (Unaudited)

	As Reported (GAAP)	Asset Impairment, Exit and Implementation Costs - Restructuring	Asset Impairments / Other Expenses - Non-Restructuring	(Gains) / Losses on Divestitures, net	Excluding Items (Non- GAAP)	Proforma 2007 LU Biscuit	2008 LU Biscuit Integration Costs	Excluding Items including Proforma 2007 LU Biscuit (Non- GAAP)	% Change		
									As Reported (GAAP)	Excluding Items (Non- GAAP)	Excluding Items including Proforma 2007 LU Biscuit (Non- GAAP)
<b>2008 Reconciliation</b>											
North America	\$ 3,361	\$ 375	\$ -	\$ 1	\$ 3,737	\$ -	\$ -	\$ 3,737	7.5%	7.3%	7.3%
European Union	412	474	100	91	1,077	-	64	1,141	(27.6)%	47.3%	4.2%
Developing Markets	585	140	51	-	776	-	17	793	23.4%	50.4%	39.6%
<b>2007 Reconciliation</b>											
North America	\$ 3,126	\$ 245	\$ 120	\$ (7)	\$ 3,484	\$ -	\$ -	\$ 3,484			
European Union	569	152	10	-	731	362	2	1,095			
Developing Markets	474	50	-	(8)	516	51	1	568			
<b>2007 Reconciliation</b>											
North America	\$ 3,126	\$ 245	\$ 120	\$ (7)	\$ 3,484				(8.1)%	(9.8)%	
European Union	569	152	10	-	731				4.0%	1.7%	
Developing Markets	474	50	-	(8)	516				17.6%	4.0%	
<b>2006 Reconciliation</b>											
North America	\$ 3,400	\$ 335	\$ 243	\$ (117)	\$ 3,861						
European Union	547	253	170	(251)	719						
Developing Markets	403	82	11	-	496						

\* Does not reflect restated reportable business segments and certain financial reporting changes for 2009, as described in the company's Form 8-K dated March 25, 2009 and Form 10-Q for the three months ended March 31, 2009.



# GAAP to Non-GAAP Reconciliation

## Net Revenues

For the Three Months Ended March 31,  
(\$ in millions) (Unaudited)

	As Reported (GAAP)	Impact of Divestitures	Impact of Currency	Organic (Non- GAAP)	% Change	
					As Reported (GAAP)	Organic (Non- GAAP)
<b><u>2009 Reconciliation</u></b>						
Kraft Foods, Inc.	\$ 9,396	\$ -	\$ 786	\$ 10,182	(6.5)%	2.3%
<b><u>2008 Reconciliation</u></b>						
Kraft Foods, Inc.	\$ 10,046	\$ (89)	\$ -	\$ 9,957		

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# GAAP to Non-GAAP Reconciliation

## Cash Flows For the Twelve Months Ended December 31,

(\$ in millions, Unaudited)

	<u>2007</u>	<u>2008</u>
<b>Net Cash Provided by Operating Activities (GAAP)</b>	<b>\$ 3,571</b>	<b>\$ 4,141</b>
Capital Expenditures	<u>(1,241)</u>	<u>(1,367)</u>
<b>Discretionary Cash Flow</b>	<b>\$ 2,330</b>	<b>\$ 2,774</b>
Discretionary cash flow from the <i>Post</i> cereals business	<u>(200)</u>	<u>(100)</u>
<b>Discretionary Cash Flow excluding <i>Post</i> cereals</b>	<b>\$ 2,130</b>	<b>\$ 2,674</b>
Timing of Payment of Deferred Interest	<u>-</u>	<u>(300)</u>
<b>Discretionary Cash Flow excluding <i>Post</i> cereals and adjusting for the Payment of Deferred Interest</b>	<b><u>\$ 2,130</u></b>	<b><u>\$ 2,374</u></b>

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# Supplementary restated growth

	% change			
	Previously Reported (a)		As Restated (a)(b)	
	2007	2008	2007	2008
<b>North America</b>				
Organic Revenue Growth	4.5%	4.8%	4.5%	4.8%
Operating Income Growth (ex items)	(9.8)%	7.3%	(4.4)%	1.7%
<b>European Union / Europe</b>				
Organic Revenue Growth	3.8%	4.0%	3.3%	3.4%
Operating Income Growth (ex items)	1.7%	47.3%	(2.7)%	37.3%
<b>Developing Markets</b>				
Organic Revenue Growth	11.6%	18.1%	11.3%	17.7%
Operating Income Growth (ex items)	4.0%	50.4%	8.4%	59.7%

a) See Supplementary GAAP to Non-GAAP reconciliations

b) The As Restated 2007 and 2008 growth percentages reflect the restated reportable business segments and certain financial reporting changes for 2009, as described in the company's Form 8-K dated March 25, 2009 and Form 10-Q for the three months ended March 31, 2009.

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# Supplementary GAAP to Non-GAAP Reconciliation

## Net Revenues

For the Twelve Months Ended December 31,  
(\$ in millions) (Unaudited)

	As Restated (GAAP)	Impact of Divestitures	Impact of Acquisitions	Imple- mentation Costs	Impact of Currency	Organic (Non- GAAP)	% Change	
							As Reported (GAAP)	Organic (Non-GAAP)
<b>2008 Reconciliation</b>								
Kraft Foods North America	\$ 23,956	\$ -	\$ (20)	\$ -	\$ (56)	\$ 23,880	4.7%	4.8%
Kraft Foods Europe	9,728	(214)	(2,216)	-	(387)	6,911	38.8%	3.4%
Kraft Foods Developing Markets	8,248	(16)	(943)	-	(272)	7,017	38.0%	17.7%
<b>2007 Reconciliation</b>								
Kraft Foods North America	\$ 22,876	\$ (96)	\$ -	\$ -	\$ -	\$ 22,780		
Kraft Foods Europe	7,007	(323)	-	-	-	6,684		
Kraft Foods Developing Markets	5,975	(15)	-	-	-	5,960		
<b>2007 Reconciliation</b>								
Kraft Foods North America	\$ 22,876	\$ (96)	\$ -	\$ -	\$ (113)	\$ 22,667	3.7%	4.5%
Kraft Foods Europe	7,007	(323)	(226)	-	(571)	5,887	18.9%	3.3%
Kraft Foods Developing Markets	5,975	(15)	(7)	-	(330)	5,623	18.0%	11.3%
<b>2006 Reconciliation</b>								
Kraft Foods North America	\$ 22,060	\$ (369)	\$ -	\$ -	\$ -	\$ 21,691		
Kraft Foods Europe	5,894	(196)	-	-	-	5,698		
Kraft Foods Developing Markets	5,064	(13)	-	-	-	5,051		

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# Supplementary GAAP to Non-GAAP Reconciliation

## Operating Income For the Twelve Months Ended December 31, (\$ in millions) (Unaudited)

	As Restated (GAAP)	Asset Impairment, Exit and Implementation Costs - Restructuring	Asset Impairments / Other Expenses - Non-Restructuring	(Gains) / Losses on Divestitures, net	Excluding Items (Non- GAAP)	% Change	
						As Reported (GAAP)	Excluding Items (Non- GAAP)
<b>2008 Reconciliation</b>							
Kraft Foods North America	\$ 3,378	\$ 375	\$ -	\$ 1	\$ 3,754	1.4%	1.7%
Kraft Foods Europe	182	474	100	91	847	(60.0)%	37.3%
Kraft Foods Developing Markets	815	140	51	-	1,006	38.6%	59.7%
<b>2007 Reconciliation</b>							
Kraft Foods North America	\$ 3,333	\$ 245	\$ 120	\$ (6)	\$ 3,692		
Kraft Foods Europe	455	152	10	-	617		
Kraft Foods Developing Markets	588	50	-	(8)	630		
<b>2007 Reconciliation</b>							
Kraft Foods North America	\$ 3,333	\$ 245	\$ 120	\$ (6)	\$ 3,692	(1.9)%	(4.4)%
Kraft Foods Europe	455	152	10	-	617	(1.5)%	(2.7)%
Kraft Foods Developing Markets	588	50	-	(8)	630	20.5%	8.4%
<b>2006 Reconciliation</b>							
Kraft Foods North America	\$ 3,399	\$ 335	\$ 243	\$ (117)	\$ 3,860		
Kraft Foods Europe	462	253	170	(251)	634		
Kraft Foods Developing Markets	488	82	11	-	581		

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