

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): **March 1, 2007**

KRAFT FOODS INC.

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction
of incorporation)

001-16483

(Commission
File Number)

52-2284372

(I.R.S. Employer
Identification No.)

Three Lakes Drive, Northfield, Illinois

(Address of Principal executive offices)

60093-2753

(Zip Code)

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

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

Item 8.01. Other Events.

On March 1, 2007, Kraft Foods Inc. ("Kraft") purchased from Altria Group, Inc. ("Altria") 1,449,240 shares of Class A Common Stock of Kraft for an aggregate cash amount of \$46,498,865 in anticipation of the previously announced spin-off of Altria's ownership interest in Kraft. The aggregate cash amount paid by Kraft was based on a per share price of \$32.085, which was calculated as the average of the high and low price of Kraft's Class A Common Stock on March 1, 2007.

SIGNATURES

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.

By: /s/ CAROL J. WARD

Name: Carol J. Ward

Title: Vice President and Corporate Secretary

DATE: March 6, 2007