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Kraft Foods Invests \$200 Million In Brazil Expansion

NORTHFIELD, Ill., May 2, 2011 /PRNewswire via COMTEX/ -- Cheers will be heard tomorrow in Pernambuco, Brazil, as newly hired Kraft Foods employees help cut the ceremonial ribbon at the debut of their new \$80 million manufacturing facility. The new plant will initially produce chocolate and powdered beverages. A biscuit line will be added in 2012. The facility is Kraft Foods' latest investment in Brazil and positions the company for future growth in the fastest growing part of the country: North-northeast Brazil. Combining the new plant and other planned manufacturing expansions, the company will invest approximately \$200 million in Brazil over a two-year period - the largest investment in the market in more than a decade.

"Brazil is one of 10 priority developing markets where we're making big bets," said Sanjay Khosla, President, Kraft Foods Developing Markets. "Today, we're among the fastest growing consumer goods companies in markets like Brazil, India and China. We're excited to build on what's working by making our biggest investment in Brazil in more than 10 years!"

Investments Build on Successful Brazil Business

With the 2010 addition of Cadbury, Kraft Foods' successful business in Brazil became even bigger. Today, Brazil has nearly \$2 billion in annual revenues, 35 brands and 10,000 employees.

"We're building on the best of both companies ... proving that one plus one can equal three," said Khosla. "Last year in Brazil, we stepped up our investments in local talent, increased our marketing spend, launched more new products than ever before and started to integrate our distribution channels. The best is yet to come, with our new investments in North-Northeast Brazil."

New Plant Sets Stage for Growth in North-Northeast Brazil

The 270,000-square-foot facility in Pernambuco will employ more than 600 employees to start, adding 200 more when the new biscuit line opens in 2012. More than 18,000 applicants competed for positions. Among those hired were Elane Maria dos Santos Silva, who was born in Pernambuco, but had been unemployed for more than eight years before graduating from the company's "Food University." The employees will oversee the production of some of the company's fastest growing brands and categories including *Bis* and *Lacta* chocolates, as well as *Tang* and *Fresh* powdered beverages.

"With the opening of our new plant in Pernambuco, we're providing jobs to local Brazilians, investing in our communities and meeting the needs of our consumers in this important, fast-growing region," said Marcos Grasso, President, Kraft Foods Brazil.

Big Economic Impact, Small Environmental Footprint

While the goal is to expand the company's market impact, the plant's environmental footprint will be a small one. Boasting prismatic skylights, solar lighting and water heating, a wastewater treatment plant, low-emission equipment and eco-paved parking lots, the new facility is seeking to be recognized by LEED, Leadership in Energy and Environmental Design, an internationally recognized green building certification system. The new facility would be the company's first certified plant in a developing market.

"Each small step adds up to a big difference," said Grasso. "These innovations are not only green, they also keep manufacturing costs down. It's a great example of putting our values into practice by doing what's best for the environment and for the business!"

In addition to caring for the environment, the company is investing \$2.2 million to help local kids live healthier lives. Prior to the groundbreaking for the new plant, the company joined with INMED Partnerships for Children to plant vegetable gardens in more than 300 public schools in Pernambuco. The effort will provide fresh produce for school lunches and educate 100,000 kids in Brazil about healthy eating.

About Kraft Foods

Northfield, Ill.-based Kraft Foods Inc. (NYSE: KFT) is a global snacks powerhouse with an unrivaled portfolio of brands people love. Proudly marketing delicious biscuits, confectionery, beverages, cheese, grocery products and convenient meals in approximately 170 countries, Kraft Foods had 2010 revenue of \$49.2 billion, more than half of which was earned outside North America. Eleven of the company's iconic brands - including *Cadbury*, *Jacobs*, *Kraft*, *LU*, *Maxwell House*, *Milka*, *Nabisco*, *Oreo*,

Oscar Mayer, Philadelphia and Trident - generate revenue of more than \$1 billion annually, and 40 have been loved for more than a century. A leader in innovation, marketing, health & wellness and sustainability, Kraft Foods is a member of the Dow Jones Industrial Average, Standard & Poor's 500, Dow Jones Sustainability Index and Ethibel Sustainability Index. For more information, visit <http://www.kraftfoodscompany.com/> and www.facebook.com/kraftfoodscorporate.

Forward-Looking Statements

This press release contains a number of forward-looking statements. The words "plan," "goals," "may," "aim," "will" and similar expressions are intended to identify our forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make regarding future growth in Brazil; big bets; new investments in Brazil; our footprint; innovations; and certifications. These forward-looking statements involve risks and uncertainties, many of which are beyond our control, and important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, increased competition, pricing actions, continued volatility of commodity prices, risks from operating in developing markets and tax law changes. For additional information on these and other factors that could affect our forward-looking statements, see our risk factors, as they may be amended from time to time, set forth in 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 press release, except as required by applicable law or regulation.

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SOURCE: Kraft Foods