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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): February 21, 2012

KRAFT FOODS INC.
(Exact name of registrant as specified in its charter)

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.)

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))

Item 7.01. Regulation FD Disclosure.

This information will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

On February 21, 2012, Kraft Foods Inc. issued a press release relating to the presentation made by Kraft Foods executives at the Consumer Analyst Group of New York 2012 Conference. A copy of the press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The presentation will be available via a live audio webcast within the Investor Center section of our Web site, www.kraftfoodscompany.com. An archived rebroadcast and the presentation slides will be available for one year following the webcast. The presentation slides, including Regulation G reconciliations, used in the presentation are being furnished as Exhibit 99.2 to this Current Report on Form 8-K.

NON-GAAP FINANCIAL MEASURES

We report our financial results in accordance with accounting principles generally accepted in the United States ("GAAP").

Our top-line measure is organic net revenues, which excludes the impacts of acquisitions, divestitures (including the Starbucks CPG business), currency and accounting calendar changes (including the 53rd week of shipments). We use organic net revenues and corresponding ratios as non-GAAP financial measures. Management believes this measure better reflects revenues on a going-forward basis and provides improved comparability of results because it excludes the volatility of currency, and the one-time impacts of acquisitions, divestitures and accounting calendar changes from net revenues.

We use Operating EPS and Operating EPS on a constant currency basis, defined as diluted EPS attributable to Kraft Foods from continuing operations excluding costs related to: the Integration Program; acquisition-related costs, including transaction advisory fees, U.K. stamp taxes and the impact of the Cadbury inventory revaluation; acquisition-related financing fees; the impact of a deferred tax charge resulting from the recently enacted U.S. health care legislation; and spin-off-related costs, including transaction fees and other costs associated with the proposed spin-off of the North American grocery business. In addition, Operating EPS on a constant currency basis excludes the year-over-year currency impact on our results. Management believes these measures better reflect earnings per share on a going-forward basis and provides improved comparability of results because it excludes certain impacts related to the Cadbury acquisition and the proposed spin-off of the North American grocery business, as well as other one-time impacts from earnings per share.

See the attached schedules to the press release for supplemental financial data and corresponding reconciliations of the non-GAAP financial measures referred to above to the most comparable GAAP financial measures for the twelve months ended Dec. 31, 2011 and 2010. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our results prepared in accordance with GAAP. In addition, the non-GAAP measures we use may differ from non-GAAP measures used by other companies. Because GAAP financial measures on a forward-looking basis are neither accessible nor deemed to be significantly different from the non-GAAP financial measures, and reconciling information is not available without unreasonable effort, with regard to the non-GAAP financial measures in our Outlook, we have not provided that information.

Item 9.01. Financial Statements and Exhibits.

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

Exhibit Number	Description
99.1	Kraft Foods Inc. Press Release, dated February 21, 2012.
99.2	Kraft Foods Inc. Slide Presentation, dated February 21, 2012.

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: February 21, 2012

/s/ Carol J. Ward

Name: Carol J. Ward

Title: Vice President and Corporate Secretary

Exhibit 99.1

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KRAFT FOODS DETAILS STRONG 2011 OPERATING RESULTS
AND UPDATES PLANS TO CREATE TWO WORLD-CLASS COMPANIES

On-Track to Continue to Deliver Top-Tier Performance
and Complete Separation before Year-End

BOCA RATON, Fla. – Feb. 21, 2012 – At the Consumer Analyst Group of New York (CAGNY) conference today, executives of Kraft Foods (NYSE: KFT) reviewed the company's 2011 results and updated its plans to create two world-class companies later this year.

"We delivered in 2011, and we'll deliver again in 2012," said Irene Rosenfeld, Chairman and CEO. "Our strong operating momentum provides a solid springboard as we prepare to launch two industry-leading public companies later this year."

Driving Sustainable Top-Tier Growth

All three of Kraft's regions – Europe, Developing Markets and North America – are benefiting from a virtuous cycle of growth. In 2011, net revenues grew 10.5 percent globally. Focused investments in Power Brands, up 8 percent, drove Organic Net Revenue[1] growth of 6.6 percent.

Rosenfeld highlighted impressive growth in Developing Markets, where net revenues rose 16.2 percent. Power Brands grew 17 percent, driving Organic Net Revenue growth of 11.2 percent. Within Kraft Foods Europe, net revenues also grew strongly, up 14.9 percent. Power Brands grew 7 percent, fueling Organic Net Revenue growth of 4.6 percent – an eighth consecutive quarter of growth, despite the Eurozone crisis.

The virtuous cycle is also driving strong bottom-line performance. As announced earlier today, Kraft Foods delivered diluted earnings per share of $1.99 in 2011. Operating EPS[1] was $2.29, which was up 13 percent, or 10 percent on a constant currency basis, from $2.02 last year. This improvement was driven primarily by operating gains of 25 cents.

Productivity improvements in procurement and manufacturing, integration synergies and overhead savings also generated cash to continue investments in innovation, quality and marketing. Globally, advertising and consumer spending increased about $250 million versus the prior year, while new products accounted for more than 10 percent of the company's revenues, up from 9 percent in 2010.

[1] Please see discussion of Non-GAAP financial measures at the end of this press release.

Building on Success in North America

North America President Tony Vernon, who will become CEO of the grocery company following the separation, said net revenues grew 5.1 percent in this region last year. Focused investments in Power Brands drove Organic Net Revenue[1] growth of 4.8 percent. This performance outpaced most peers and drove Kraft's categories faster than the industry average. Higher revenue, coupled with improved productivity and lower overheads, provided the funds to continue investing in effective marketing and successful innovation. For example, new product revenue rose to 9 percent of total North America sales last year, up from 6.5 percent in 2009.

"Our momentum is palpable," Vernon said. "We have tremendous opportunities ahead to drive industry-leading results. With the foundation we're laying now, both our grocery and snack businesses will be well-positioned for success as stand-alone operations."

Top-Tier Financial Performance Expected to Continue

Citing excellent progress in the integration of Cadbury, CFO Dave Brearton said the company has already generated about $400 million in revenue synergies to date, which is on track to reach the company's goal of $1 billion. Concurrently, Kraft has already captured more than 80 percent of its targeted $750 million in annual cost synergies. In fact, based on the gains to date, the company now expects to deliver approximately $800 million in cost synergies by year-end, exceeding the original target and doing so about one year ahead of schedule.

"Despite the additional activities to ready each business for independence, we're confident that the strong momentum of our base businesses will allow us to deliver another year of top-tier performance," Brearton said. For 2012, the company expects Organic Net Revenue growth of approximately 5 percent. Operating EPS[1] is expected to grow at least 9 percent on a constant currency basis, despite higher pension and tax costs.

Brearton also said that the company will incur one-time restructuring, transition and transaction costs of $1.6 billion to $1.8 billion as it prepares to separate into two companies later this year. In addition, the company estimates that it may incur between $400 million and $800 million of potential debt breakage and financing fees as it executes a migration of debt to the North American grocery company. Brearton underscored that both companies will be investment-grade with access to commercial paper.

[1] Please see discussion of Non-GAAP financial measures at the end of this press release.

The Path to Successful Separation

Concluding the presentation, Rosenfeld said that Kraft's operating momentum will enable the company to execute the separation of its businesses from a position of great strength.

The North American grocery company, with roughly $18 billion in sales, will retain the Kraft Foods name and be a major force in the industry. By growing with its categories and capturing significant cost savings opportunities, the business is expected to deliver strong margins and substantial free cash flow with a highly competitive dividend payout.

The global snacks company, whose proposed name will be announced in March, will have sales of about $35 billion. With a diverse geographical profile and significant exposure to high-growth Developing Markets, it is expected to deliver strong revenue growth and top-tier earnings growth while paying a modest dividend.

Until the companies separate later this year, Kraft Foods will continue to report as one company. It expects to file its initial Form 10 with historical carve-out financials early in the second quarter and receive tax rulings from the U.S. Internal Revenue Service around the middle of the year. Organizational structures and personnel decisions will be finalized by mid-year, so that both companies can hit the ground running when they launch before the end of 2012. Just prior to the spinoff, separate investor events for each company will be held.

Kraft Foods' presentation was accompanied by slides. Access to a replay of the CAGNY webcast with accompanying slides is available at www.kraftfoodscompany.com.

ABOUT KRAFT FOODS

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 2011 revenue of $54.4 billion. Twelve of the company's iconic brands – *Cadbury*, *Jacobs*, *Kraft*, *LU*, *Maxwell House*, *Milka*, *Nabisco*, *Oreo*, *Oscar Mayer*, *Philadelphia*, *Tang* and *Trident* – generate revenue of more than $1 billion annually. On Aug. 4, 2011, Kraft Foods announced plans to divide and create two independent public companies: a high-growth global snacks business and a high-margin North American grocery business. The transaction is expected to be completed before the end of 2012. 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. Visit www.kraftfoodscompany.com and www.facebook.com/kraftfoodscorporate.

FORWARD-LOOKING STATEMENTS

This press release contains a number of forward-looking statements. Words, and variations of words such as "continue," "expect," "will," and similar expressions are intended to identify our forward-looking statements, including but not limited to, expectations to deliver in 2012; operating momentum; opportunities to drive industry-leading results; success of grocery and snack businesses; Cadbury synergies; top-tier performance; 2012 Organic Net Revenue growth and Operating EPS; one-time costs, debt breakage fees and financing fees associated with the spinoff; expectations for the North American grocery company and for the global snacks company; and next steps related to the spinoff. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause our actual results to differ materially from those indicated in our forward-looking statements. Such factors include, but are not limited to, our failure to successfully separate the company, continued volatility of input costs, pricing actions, increased competition, continued weakness in economic conditions, risks related to operating in emerging markets and tax law changes. Please also 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. Kraft Foods disclaims and does not undertake any obligation to update or revise any forward-looking statement in this press release, except as required by applicable law or regulation.

NON-GAAP FINANCIAL MEASURES

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# # #

GAAP to Non-GAAP Reconciliation

Net Revenues to Organic Net Revenues
For the Twelve Months Ended December 31,
($ in millions, except percentages) (Unaudited)

	As Reported (GAAP)	Impact of Divestitures (1)	Impact of Acquisitions (2)	Impact of Integration Program	Impact of Accounting Calendar Changes (3)	Impact of Currency	Organic (Non-GAAP)	% Change As Reported (GAAP)	% Change Organic (Non-GAAP)
2011									
Kraft Foods North America	$ 25,188	$ (91)	$ (117)	$ —	$ (294)	$ (136)	$ 24,550	5.1%	4.8%
Kraft Foods Europe	13,356	—	(201)	—	(403)	(632)	12,120	14.9%	4.6%
Kraft Foods Developing Markets	15,821	—	(379)	1	(183)	(397)	14,863	16.2%	11.2%
Kraft Foods	**$ 54,365**	**$ (91)**	**$ (697)**	**$ 1**	**$ (880)**	**$(1,165)**	**$ 51,533**	**10.5%**	**6.6%**
2010									
Kraft Foods North America	$ 23,966	$ (547)	$ —	$ —	$ —	$ —	$ 23,419		
Kraft Foods Europe	11,628	—	—	—	(45)	—	11,583		
Kraft Foods Developing Markets	13,613	(105)	—	1	(148)	—	13,361		
Kraft Foods	**$ 49,207**	**$ (652)**	**$ —**	**$ 1**	**$ (193)**	**$ —**	**$ 48,363**		

(1) Impact of divestitures includes for reporting purposes Starbucks CPG business.
(2) Impact of acquisitions reflects the incremental January 2011 operating results from our Cadbury acquisition on February 2, 2010.
(3) Includes the impacts of accounting calendar changes and the 53rd week of shipments in 2011.

GAAP to Non-GAAP Reconciliation

Diluted Earnings per Share to Operating EPS
For the Twelve Months Ended December 31,
(Unaudited)

	As Reported (GAAP)	Integration Program Costs (1)	Acquisition-Related Costs (2) and Financing Fees (3)	U.S. Health Care Legislation Impact on Deferred Taxes	Spin-off Costs (4)	Operating (Non-GAAP)	Currency	Operating Constant Fx (Non-GAAP)	% Growth: As Reported EPS Growth (GAAP)	% Growth: Operating EPS Growth (Non-GAAP)	% Growth: Operating Constant Fx EPS Growth (Non-GAAP)
2011											
Diluted EPS											
- Continuing operations	**$ 1.99**	$ 0.28	$ —	$ —	$ 0.02	**$ 2.29**	$ (0.06)	**$ 2.23**	**38.2%**	**13.4%**	**10.4%**
- Discontinued operations	—										
- Net earnings attributable to Kraft Foods	$ 1.99								**(16.7)%**		
2010											
Diluted EPS											
- Continuing operations	**$ 1.44**	$ 0.29	$ 0.21	$ 0.08	$ —	**$ 2.02**	$ —	**$ 2.02**			
- Discontinued operations	0.95										
- Net earnings attributable to Kraft Foods	$ 2.39										

(1) Integration Program costs are defined as the costs associated with combining the Kraft Foods and Cadbury businesses, and are separate from those costs associated with the acquisition. Integration Program costs were $521 million, or $497 million after-tax including certain tax costs associated with the integration of Cadbury, for the twelve months ended December 31, 2011, as compared to $657 million, or $497 million after-tax for the twelve months ended December 31, 2010.

(2) Acquisition-related costs include transaction advisory fees, U.K. stamp taxes and the impact of the Cadbury inventory revaluation.

(3) Acquisition-related financing fees include hedging and foreign currency impacts associated with the Cadbury acquisition and other fees associated with the Cadbury bridge facility.

(4) Spin-off costs include transaction fees and other costs associated with the proposed spin-off of the North American grocery business.

Kraft Foods

CAGNY Conference

February 21, 2012

Forward-looking statements

This slide presentation contains a number of forward-looking statements. The words “believe,” “expect,” “anticipate,” “optimistic,” “intend,” “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 our virtuous cycle of growth; our 5-10-10 strategy; Kraft Foods Developing Markets and Kraft Foods Europe growth in 2012; the 2012 environment; the three priorities for the grocery and snacks businesses’ success; Power Brands and 2012 organic growth; product line pruning; factors that will drive 2012 results; 2012 top-line momentum; Cadbury revenue synergies; cost management; 2012 top-tier growth; one-time and refinancing costs; launching two investment grade companies; sustainable, top-tier performance; expectations for the North American grocery and Global snacks companies; next steps related to the spin-off; and what shareholders can expect from 2012. 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 in commodity costs, increased costs of sales, our indebtedness and our ability to pay our indebtedness, risks from operating globally, our failure to successfully execute in developing markets, our failure to recognize the synergies from our combination with Cadbury; our failure to launch two successful independent companies; 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 slide presentation, except as required by applicable law or regulation.

Agenda

- Driving sustainable, top-tier growth
- Building on success in North America
- 2012 guidance
- The path to separation

Irene Rosenfeld

Chairman and CEO

Virtuous cycle of growth is paying off

Focus on Power Brands
+8% in 2011

Drive Top-Tier Growth
Organic Net Revenue
+6.6% (1)

(1) Reported Net Revenue growth was 10.5%. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Strong growth in global snacks portfolio

- Global Biscuits +9% (1)
  - Developing Markets up double-digits
  - Developed Markets up mid-single digits
- Global Chocolate +6% (1)
  - Developing Markets up double digits
  - Developed Markets up slightly
- Global Gum & Candy +1% (1)
  - Developing Markets up high-single digits
  - Developed Markets down mid-single digits

(1) Reflects FY 2011 Organic Net Revenue Growth. Reported FY 2011 Net Revenue growth was 11.5% for Biscuits, 16.1% for Chocolate and 11.8% for Gum & Candy. Global Biscuits includes snack nuts. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Delivering top-tier organic growth

Organic Revenue Growth (Fiscal Year) *

2009			2010			2011		
1	General Mills	8.5%	1	Danone	6.9%	1	Danone	7.8% (2)
2	ConAgra	7.7%	2	Hershey	6.1%	2	Nestlé	7.5% (2)
3	Heinz	5.5%	3	Coca-Cola	6.0%	3	Hershey	6.9% (2)
4	Nestlé	4.1%	4	Nestlé	6.0%	**4**	**Kraft Foods**	**6.6%** (3)
5	Coca-Cola	4.0%	5	General Mills	4.0%	5	PepsiCo	5.0% (4)
6	Hershey	4.0%	6	PepsiCo	3.5%	6	Sara Lee	4.9% (2)
7	PepsiCo	4.0%	**7**	**Kraft Foods**	**3.1/3.2%** (1)	7	Kellogg	4.5% (2)
8	Danone	3.2%	8	Heinz	2.1%	8	Coca-Cola	4.0% (2)
9	Campbell	3.0%	9	ConAgra	(0.8)%	9	General Mills	2.0% (2)
10	Kellogg	3.0%	10	Kellogg	(1.3)%	10	Heinz	1.9% (2)
11	Sara Lee	2.7%	11	Campbell	(2.0)%	11	ConAgra	1.1% (2)
12	**Kraft Foods**	**1.5%**	12	Sara Lee	(2.8)%	12	Campbell	(1.0)% (2)

* Source: Thomson First Call.

(1) Reported Net Revenue growth was 27.0%; Combined Organic Net Revenue Growth was 3.1%; Kraft Foods Base Organic Net Revenue growth was 3.2%. See GAAP to Non-GAAP reconciliation at the end of this presentation.

(2) Per company reports.

(3) Reported net revenue growth was 10.5%. See GAAP to Non-GAAP reconciliation at the end of this presentation.

(4) Reflects Wall Street estimate.

kraft foods

Virtuous cycle of growth is paying off

Focus on Power Brands
+8% in 2011

Drive Top-Tier Growth
Organic Net Revenue
+6.6% (1)

Reduce Costs
Productivity
>4%% COGS

(1) Reported Net Revenue growth was 10.5%. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Virtuous cycle of growth is paying off

Focus on Power Brands
+8% in 2011

Drive Top-Tier Growth
Organic Net Revenue
+6.6% (1)

Reduce Costs
Productivity
>4%% COGS

Leverage Overheads
% of NR down (60)bps (2)

(1) Reported Net Revenue growth was 10.5%. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Underlying overheads as a % of net revenue excludes Integration Program costs, acquisition-related costs and costs associated with the proposed spin-off of the North American grocery business. Reported overheads as a % of net revenue was down (130) bps versus 2010. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Virtuous cycle of growth is paying off

Focus on Power Brands
+8% in 2011

Drive Top-Tier Growth
Organic Net Revenue
+6.6% (1)

Reduce Costs
Productivity
>4%% COGS

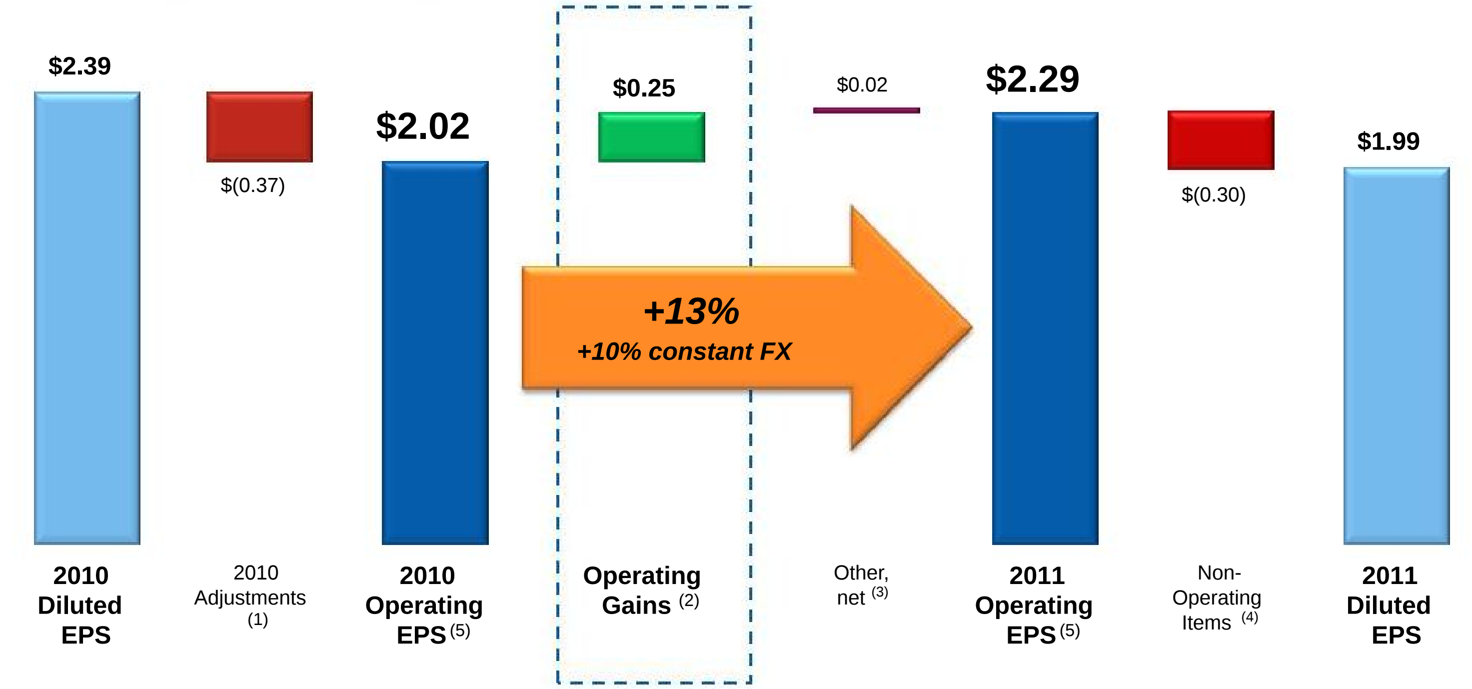
Leverage Overheads
% of NR down (60)bps (2)

Reinvest in Growth
A&C 8% of NR
NPD 10%+ of NR

kraft foods

(1) Reported Net Revenue growth was 10.5%. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Underlying overheads as a % of net revenue excludes Integration Program costs, acquisition-related costs and costs associated with the proposed spin-off of the North American grocery business. Reported overheads as a % of net revenue was down (130) bps versus 2010. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Operating gains fueling EPS growth



(1) 2010 Adjustments include earnings and gain from discontinued operations, acquisition-related costs, Integration Program costs and the U.S. Healthcare legislation impact on deferred taxes.

(2) Includes the benefit of accounting calendar changes (including the impact of the 53rd week of shipments).

(3) "Other, net" includes the impact of: decreases in operating income from divestitures, primarily the loss of the Starbucks CPG business; the increase in operations from one month of Cadbury; the change in restructuring accrual reversals and asset impairments; the change in unrealized gains/losses from hedging activities; favorable foreign currency; higher interest expense; changes in taxes; and changes in shares outstanding.

(4) Non-operating items include Integration Program costs and costs related to the proposed spin-off of the North American Grocery business.

(5) See GAAP to Non-GAAP reconciliation at the end of this presentation.

Delivering top-tier earnings growth

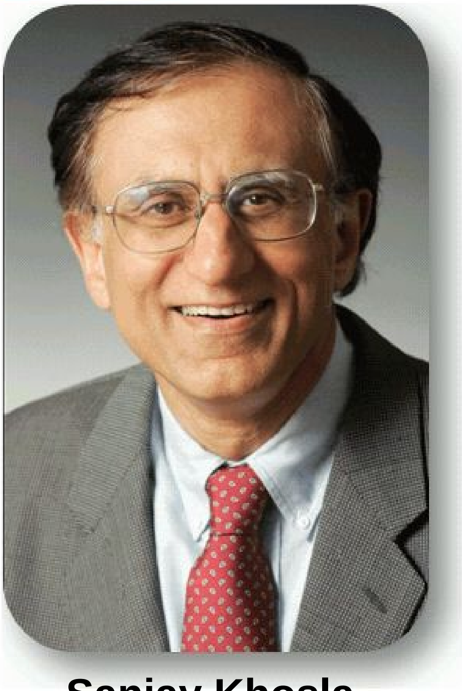
Operating EPS Growth (1)

2009			2010			2011		
1	Hershey	15.4%	1	Hershey	17.5%	1	**Kraft Foods**	**13.4%** (3)
2	General Mills	13.1%	2	General Mills	15.6%	2	Hershey	10.6% (4)
3	Heinz	10.3%	3	ConAgra	14.5%	3	Coca-Cola	10.0% (4)
4	**Kraft Foods**	**8.0%**	4	Coca-Cola	14.1%	4	General Mills	7.8% (4)
5	Campbell	6.2%	5	PepsiCo	11.3%	5	Heinz	7.3% (4)
6	Kellogg	5.7%	6	Campbell	11.3%	6	Danone	6.6% (4)
7	PepsiCo	0.8%	7	Nestlé	7.4%	7	PepsiCo	6.5% (4)
8	Nestlé	0.7%	8	Danone	5.4%	8	Campbell	2.8% (4)
9	Danone	(0.8)%	9	**Kraft Foods**	**4.7%** (2)	9	Sara Lee	2.6% (4)
10	Coca-Cola	(2.9)%	10	Kellogg	4.4%	10	Kellogg	2.4% (4)
11	Sara Lee	(15.2)%	11	Heinz	(1.0)%	11	ConAgra	0.6% (4)
12	ConAgra	(20.0)%	12	Sara Lee	(9.5)%	12	Nestlé	(7.2)% (4)

(1) Source: Thomson First Call.
(2) Represents Operating EPS. Diluted EPS declined 17.7%. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(3) Diluted EPS declined 16.7%. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(4) Per company reports.

kraft foods

Kraft Foods Developing Markets



Sanjay Khosla

President
Kraft Foods Developing Markets

Kraft Foods Developing Markets is driving a virtuous cycle

Focus on Power Brands
+17% in 2011

Drive Top-Tier Growth
Organic Net Revenue
+11.2% (1)

(1) Reported Net Revenue growth was 16.2%. See GAAP to Non-GAAP reconciliation at the end of this presentation.

5-10-10 strategy drives revenue growth

5 Categories	10 Power Brands	10 Priority Markets
+12%	**+17%**	**+12%**
India Chocolate (Cadbury) +30%	Oreo +50%	Brazil +15% To $2B+
	Club Social, Tuc +35%	China +30% to $800M+

Kraft Foods Developing Markets is driving a virtuous cycle

Focus on Power Brands
+17% in 2011

Drive Top-Tier Growth
Organic Net Revenue
+11.2% (1)

Reduce Costs
Productivity
4% COGS

Leverage Overheads
% of NR down (20) bps (2)

(1) Reported Net Revenue growth was 16.2%. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Underlying overheads as a % of net revenue excludes Integration Program costs, acquisition-related costs and costs associated with the proposed spin-off of the North American grocery business. Reported overheads as a % of net revenue was down (40) bps versus 2010. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Kraft Foods Developing Markets is driving a virtuous cycle

Focus on Power Brands
+17% in 2011

Drive Top-Tier Growth
Organic Net Revenue
+11.2% (1)

Reduce Costs
Productivity
4% COGS

Leverage Overheads
% of NR down (20) bps (2)

Reinvest in Growth
A&C 10% of NR
NPD 12% of NR

(1) Reported Net Revenue growth was 16.2%. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Underlying overheads as a % of net revenue excludes Integration Program costs, acquisition-related costs and costs associated with the proposed spin-off of the North American grocery business. Reported overheads as a % of net revenue was down (40) bps versus 2010. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Kraft Foods Developing Markets will continue to drive strong growth in 2012

- Relentless focus behind 5-10-10 strategy
- Capture Cadbury synergies
- Expand margins through productivity and overhead leverage

Kraft Foods Europe

Tim Cofer

President
Kraft Foods Europe

Kraft Foods Europe is driving a virtuous cycle

Focus on Power Brands
+7% in 2011

Drive Top-Tier Growth
Organic Net Revenue
+4.6% (1)

(1) Reported Net Revenue growth was 14.9%. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Power Brands, innovation and geographic expansion driving growth

Choco-Bakery

+29%

+25%

+25%

+18%

Kraft Foods Europe is driving a virtuous cycle

Focus on Power Brands
+7% in 2011

Drive Top-Tier Growth
Organic Net Revenue
+4.6% (1)

Reduce Costs
Productivity
>4% COGS

(1) Reported Net Revenue growth was 14.9%. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Kraft Foods Europe is driving a virtuous cycle

Focus on Power Brands
+7% in 2011

Drive Top-Tier Growth
Organic Net Revenue
+4.6% (1)

Reduce Costs
Productivity
>4% COGS

Leverage Overheads
% of NR down (150)bps (2)

(1) Reported Net Revenue growth was 14.9%. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Underlying overheads as a % of net revenue excludes Integration Program costs, acquisition-related costs and costs associated with the proposed spin-off of the North American grocery business. Reported overheads as a % of net revenue was down (200) bps versus 2010. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Kraft Foods Europe is driving a virtuous cycle

(1) Reported Net Revenue growth was 14.9%. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Underlying overheads as a % of net revenue excludes Integration Program costs, acquisition-related costs and costs associated with the proposed spin-off of the North American grocery business. Reported overheads as a % of net revenue was down (200) bps versus 2010. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Kraft Foods Europe will continue to drive a growth agenda in 2012

- Top-line momentum
  - Distort investments towards Power Brands
  - Step up innovation
  - Excellent sales execution
  - Enter “white space” markets
- Expand margins and fund investments through relentless cost management
  - Lower overheads
  - Increase productivity

Building on Success in North America

Tony Vernon

President
Kraft Foods North America

2011 Priorities

- Revitalize our brands
- Increase marketing and sales excellence
- Deliver record cost savings

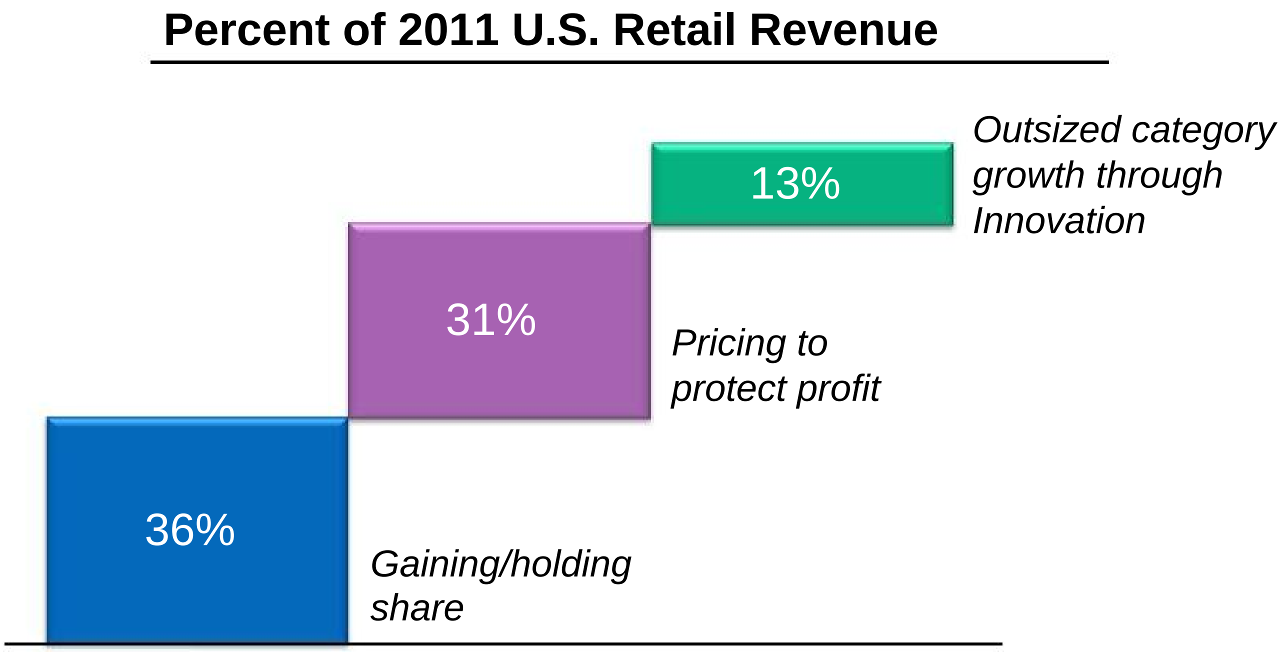
Kraft Foods North America is driving a virtuous cycle

Focus on Power Brands
+4.5% in 2011

Drive Top-Tier Growth
Organic Net Revenue
+4.8% (1)

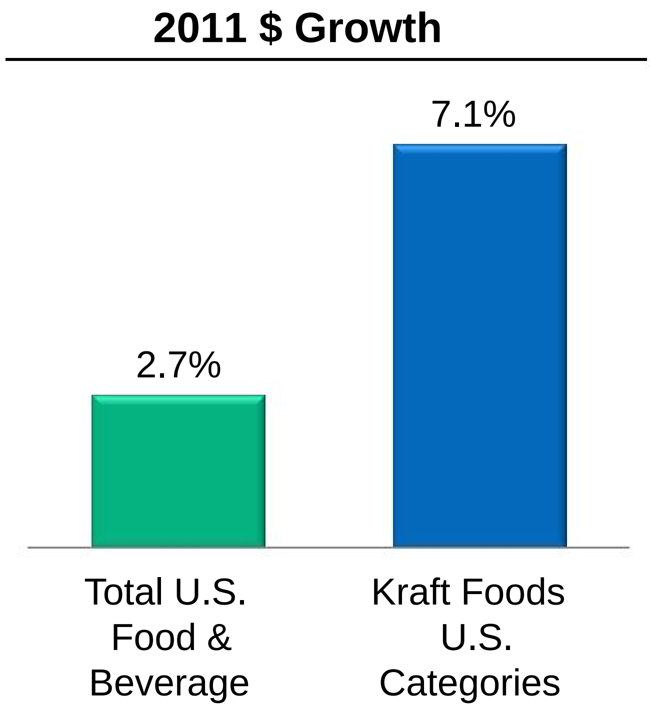
(1) Reported Net Revenue growth was 5.1%. See GAAP to Non-GAAP reconciliation at the end of this presentation.

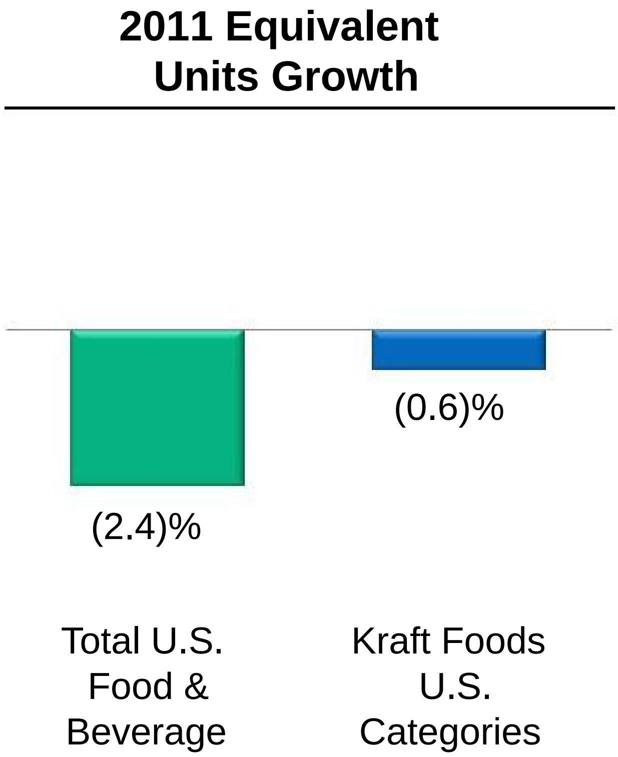
Solid market share performance in an unprecedented environment



Source: 52-weeks ending Dec. 24, 2011. 4-outlet data, Nielsen.

Drove our U.S. retail categories faster than the industry





Source: 52-weeks ending Dec. 24, 2011. 4-outlet data, Nielsen.

Kraft Foods North America is driving a virtuous cycle

Focus on Power Brands
+4.5% in 2011

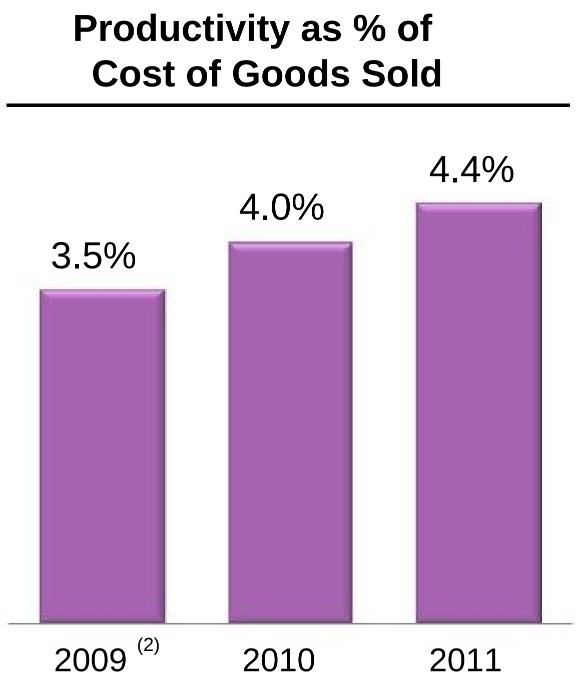
Drive Top-Tier Growth
Organic Net Revenue
+4.8% (1)

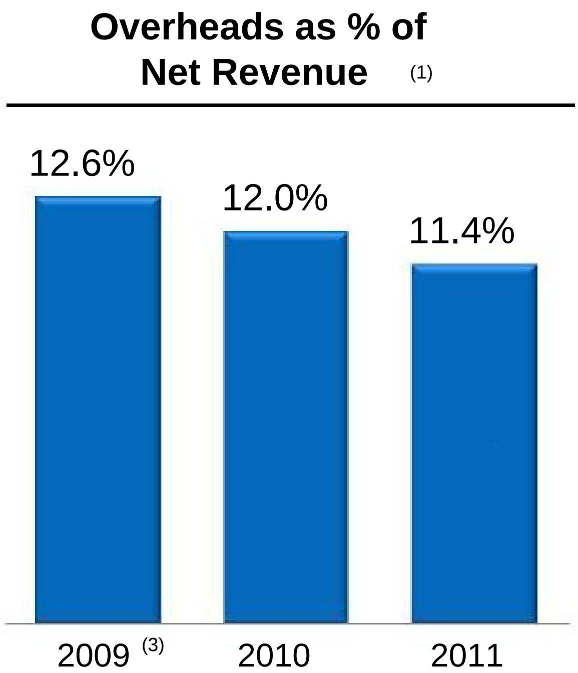
Reduce Costs
Productivity
>4% COGS

Leverage Overheads
% of NR down (60)bps (2)

(1) Reported Net Revenue growth was 5.1%. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Reflects underlying overheads as a % of net revenue, which excludes Integration Program costs, acquisition-related costs and costs associated with the proposed spin-off of the North American grocery business. Reported overheads as a % of net revenue was down (60) bps versus 2010. See GAAP to Non-GAAP reconciliation at the end of this presentation.

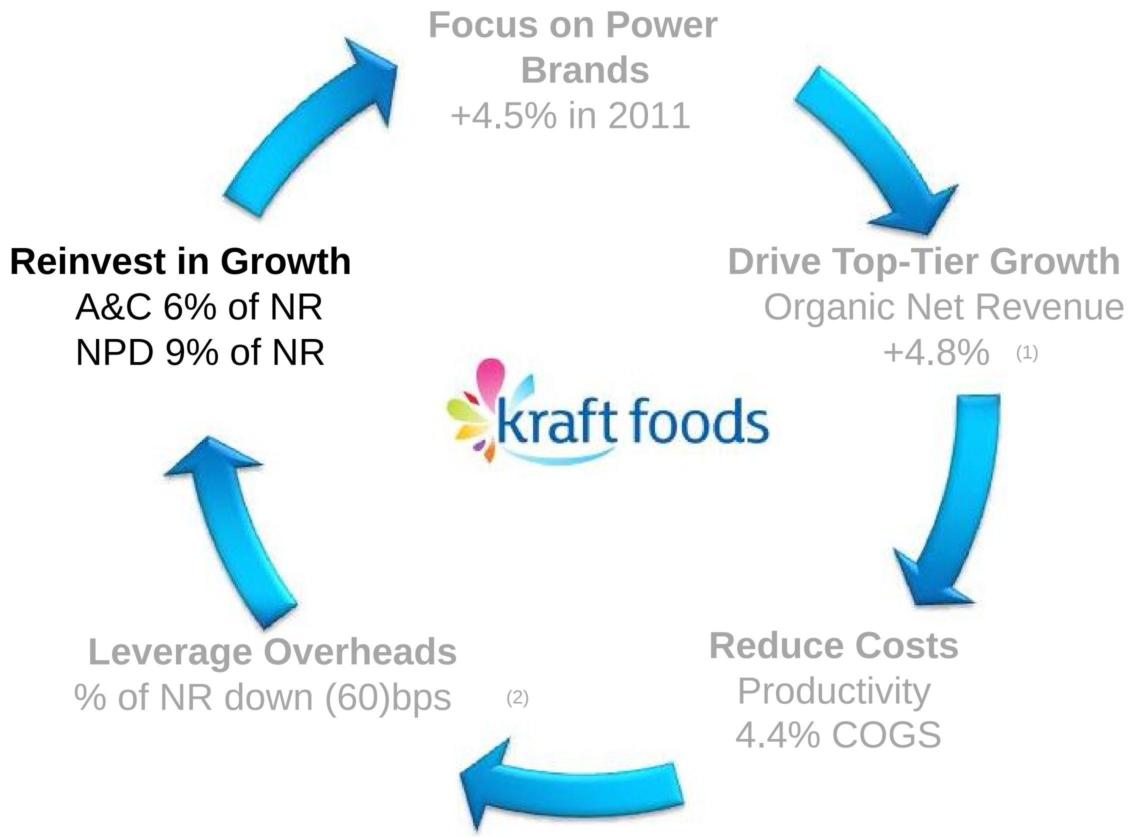
Focus on cost reduction is paying off





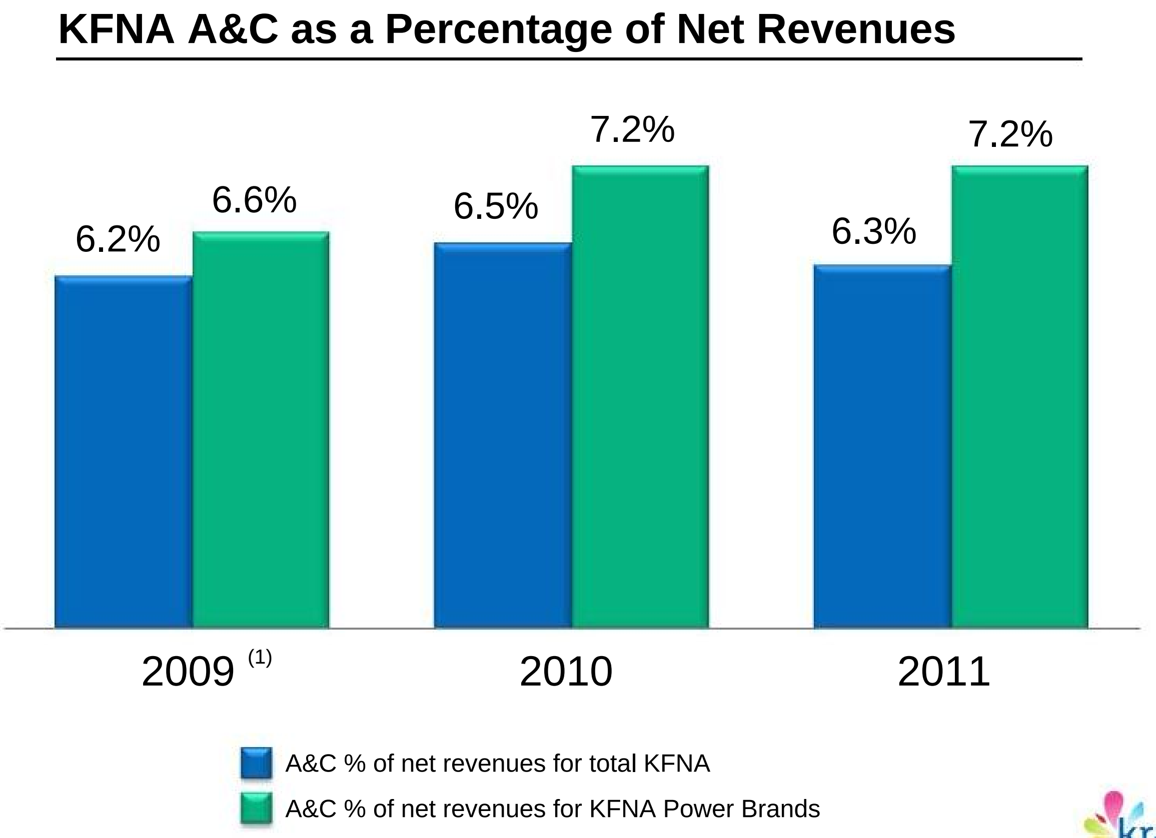
(1) Reflects underlying overheads as a % of net revenue, which excludes Integration Program costs, acquisition-related costs and costs associated with the proposed spin-off of the North American grocery business. Reported overheads as a % of net revenue were 12.2% and 11.6% in 2010 and 2011, respectively. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Reflects Kraft Foods base business only.
(3) Pro forma combined Kraft Foods base business and Cadbury.

Kraft Foods North America is driving a virtuous cycle



(1) Reported Net Revenue growth was 5.1%. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Reflects underlying overheads as a % of net revenue, which excludes Integration Program costs, acquisition-related costs and costs associated with the proposed spin-off of the North American grocery business. Reported overheads as a % of net revenue was down (60) bps versus 2010. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Distorting brand building investments to Power Brands



(1) Pro forma for Cadbury acquisition.

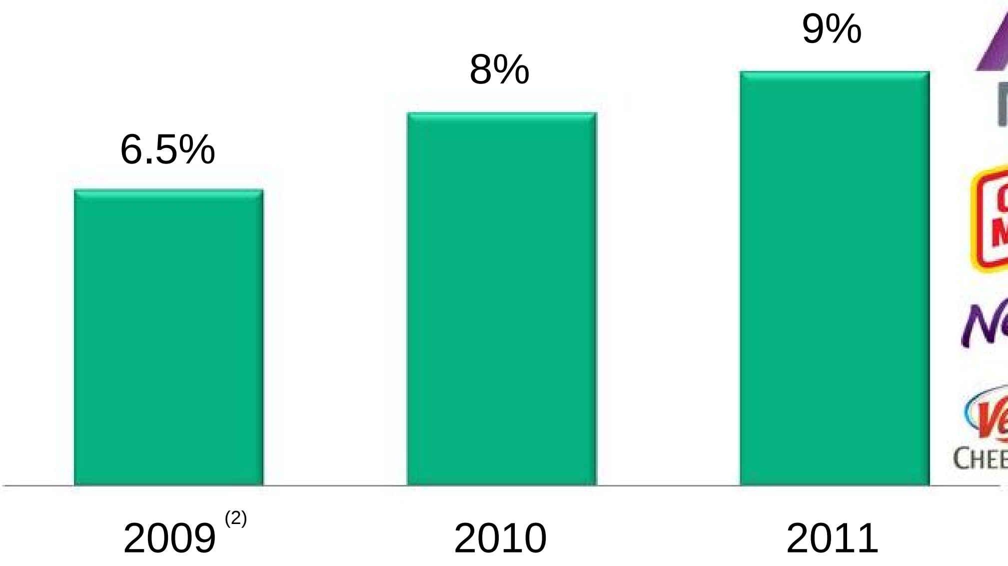
Driving growth in our iconic brands

Miracle Whip	Oscar Mayer	Wheat Thins	Planters	Chips Ahoy!
+5%	**+5%**	**+6%**	**+7%**	**+8%**

Capri Sun	Philadelphia	Oreo	Velveeta	Newtons
+9%	**+11%**	**+12%**	**+20%**	**+44%**

Stepping up growth from new products

New Product Development as % of Net Revenue (1)



(1) Reflects percentage of net revenue derived from products introduced within the prior 3 years.
(2) Reflects Kraft Foods base business only.

2012 environment will remain difficult

Economy

- Weak GDP rebound
- High unemployment
- Commodity costs expected to remain high / volatile

Consumer

- Low consumer confidence, but improving
- F&B demand recovering, but remains weak
- Value focus will remain; more than just low price

Customer

- Rising prices driving dollar growth but volume softness
- Dynamic retail environment
- Customers looking for Kraft to bring category leadership, innovation, value and H&W

kraft foods

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Three priorities will position both grocery and snacks businesses for success

1. Strategically distort portfolio
   - Drive break-through innovation
   - Skew A&C investments to Power Brands
   - Discontinue products with low profitability

2012 Innovation

A&C investments skewed to 21 Power Brands will drive 2012 organic growth

- Higher-than-average gross margins
- Vibrant categories
- Outsized investments behind product news

Selective product line pruning will improve mix

- Eliminating product lines with low profitability
  - 40% from North America Foodservice
  - 60% from other business units
- Impacts organic net revenue growth
  - Up to 2 percentage points in North America
  - Up to 1 percentage point for total Kraft
- Manageable impact to operating income

Three priorities will position both grocery and snacks businesses for success

1. Strategically distort portfolio

2. Drive towards best-in-class costs
   – Deliver productivity of 4%+
   – Streamline manufacturing and distribution networks
   – Reduce overhead

Realigning U.S. Sales organization

	HQ Sales	Retail Execution
Snacks Business	kraft foods	kraft foods
Grocery Business	kraft foods	ACOSTA SALES & MARKETING CROSSMARK

Three priorities will position both grocery and snacks businesses for success

1. Strategically distort portfolio

2. Drive towards best-in-class costs

3. Reignite a winning culture
   – Spirit of a start up, soul of a powerhouse
   – Recruit the best talent
   – Reinvest in our employees

Summary

- Kraft Foods North America is driving a virtuous cycle
- We will continue to deliver industry-leading results
- We will launch two businesses positioned for success

2012 Guidance

Dave Brearton

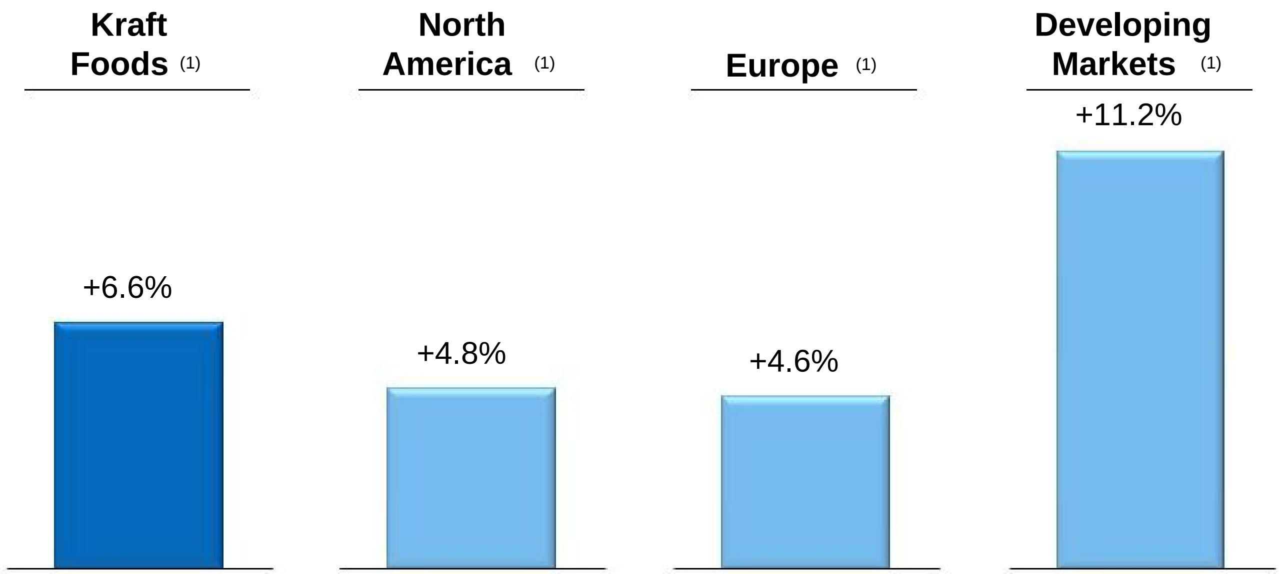
Executive Vice President
and CFO

2012 results will be driven by multiple factors

- Strong organic growth from Power Brands
- Full Cadbury synergies
- Further gains from End-to-End Cost Management
- One-time costs to achieve peak performance
- Financing costs to execute the separation

2012 will benefit from the tailwind of top-line momentum in each region

2011 Organic Net Revenue Growth



	Kraft Foods	North America	Europe	Developing Markets
Pricing	**6.0 pp**	**6.1 pp**	**4.4 pp**	**7.3 pp**
Vol/Mix	**0.6 pp**	**(1.3) pp**	**0.2 pp**	**3.9 pp**

(1) Reported Net Revenues in FY 2011 increased 10.5%, 5.1%, 14.9% and 16.2% for Kraft Foods, North America, Europe and Developing Markets, respectively. See GAAP to Non-GAAP reconciliation at the end of this presentation.

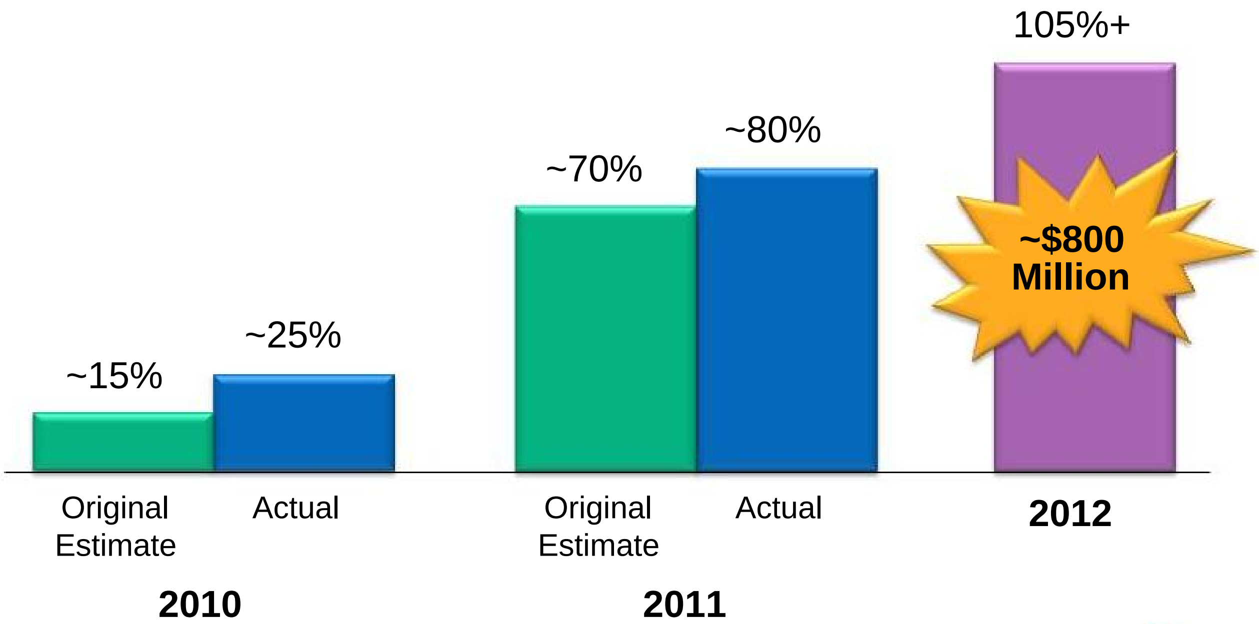
Cadbury revenue synergies will escalate

- Achieved $400 million revenue run-rate
  - Drove 2011 revenue synergies of $300+ million
  - ~60 bps of growth
- On-track to reach $1 billion target
  - Roughly two-thirds from Developing Markets
  - 50-100 bps of growth in 2012

Exceeding Cadbury cost synergy targets

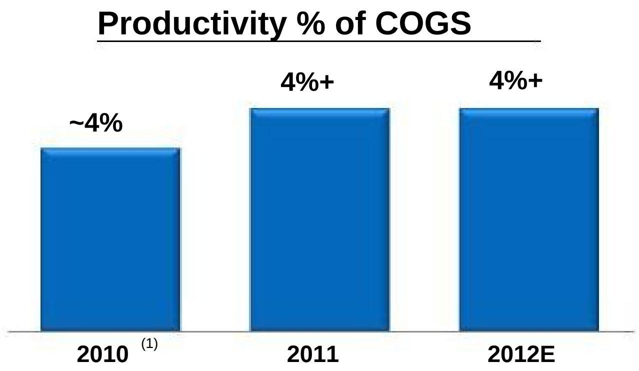
Cost Synergies

(Cumulative P&L Impact, % of Original $750 Million Target)

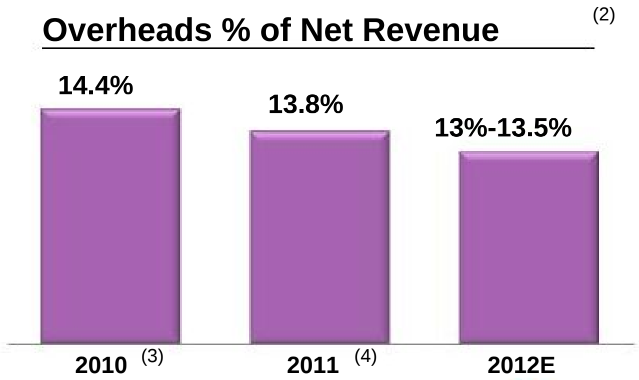


End-to-End Cost Management will drive further gains

- Productivity
  - Procurement
  - Manufacturing
  - Customer Service & Logistics



- Overhead Cost Reset
  - North America: NOG
  - Europe: NOG
  - Developing Markets: HOG



(1) Kraft Foods Base Business only
(2) Excludes integration and acquisition-related costs associated with the Cadbury acquisition, and costs associated with the proposed spin-off of the North American grocery business.
(3) Reported Overheads as a % of Net revenues for FY 2010 was 16.0%. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(4) Reported Overheads as a % of Net revenues for FY 2011 was 14.7%. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Targeting top-tier growth in 2012

- Organic revenue growth consistent with 5%+ long-term guidance
  - \+ Strong momentum, Power Brands in each region
  - \+ Revenue synergies from Cadbury
  - \+ Low/mid-single-digit benefit from pricing
  - – Macroeconomic environment
  - – Product pruning in North America of up to 1 pp

Organic Net Revenue growth of approximately 5%

kraft foods

Targeting top-tier growth in 2012

- Organic revenue growth consistent with 5%+ long-term guidance

- Operating EPS growth consistent with 9%-11% constant-currency, long-term guidance
  - + Strong operating momentum
  - + Further gains from End-to-End Cost Management, synergies
  - – Pension cost headwind ~4 pp
  - – Higher effective tax rate (~28%)

Constant Currency Operating EPS growth at low end of 9%-11% range

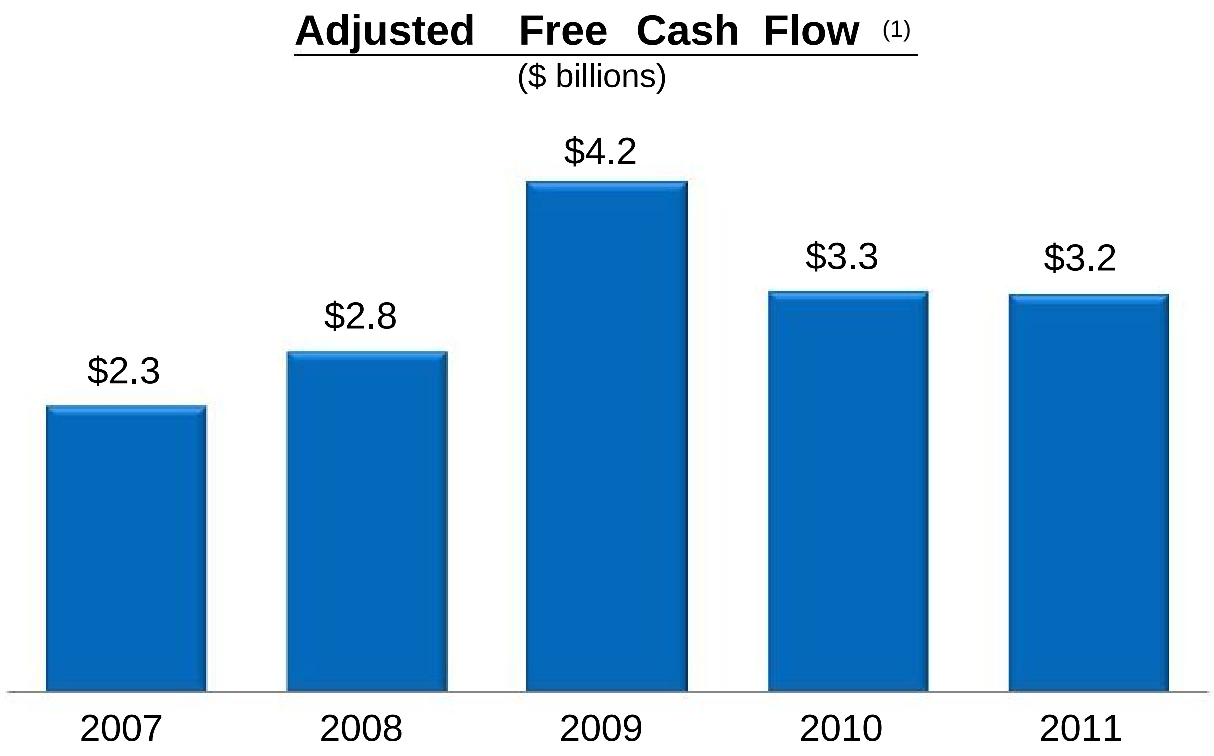
Setting up each company for future success

- “Clean sheet” approach
  - Lean corporate structures
  - Tailoring support functions to needs of each company
  - Streamlining manufacturing and distribution infrastructures
- Transition and transaction costs to execute separation
- $1.6-$1.8 billion of one-time costs
  - Approximately two-thirds in cash
  - Most expected to be booked in 2012
- Key enabler to achieving peak performance for each company

Refinancing costs to be incurred to set up capital structures

- Debt breakage and financing fees from migrating debt to North American grocery
- $400 million to $800 million cost

Generating strong free cash flow



(1) Adjusted free cash flow is defined as net cash from operating activities less capital expenditures plus voluntary pension contributions and taxes paid on the gain on the 2010 sale of North America pizza business. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Well-positioned to launch two investment grade companies with access to CP

- Successfully delevered from Cadbury acquisition
  - Gross debt-to-underlying EBITDA of 3.1x
  - Total debt down $4+ billion since March 2010
- Taking actions to create space, flexibility
  - Issued $800 million floating rate notes in Jan. 2012
  - More to come
- Several options to migrate debt to North American grocery company

Driving sustainable, top-tier performance for the long term

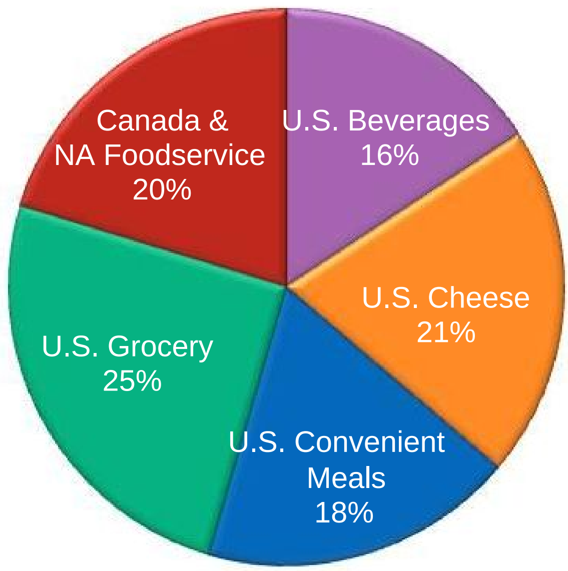
- Top-tier operating performance on both _____ top and bottom lines
- Setting stage for strong, future gains through a clean-sheet approach
- On track to launch two investment-grade entities with low-cost debt

The Path to Separation

Irene Rosenfeld

Chairman and CEO

North American grocery will be a major force in the industry

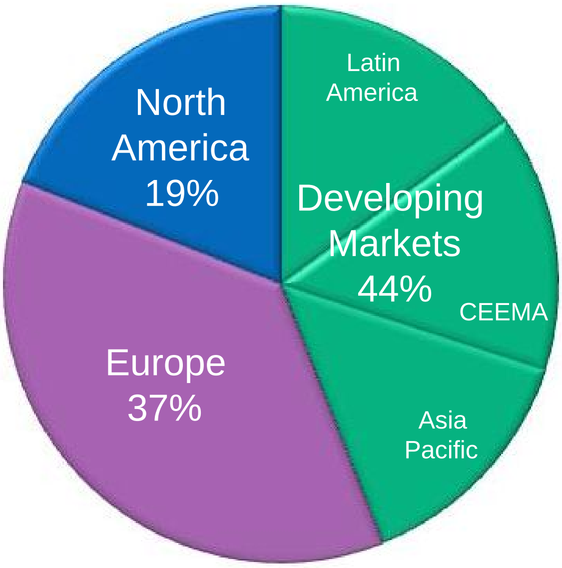


$18 Billion in Revenues*

- Growth in line with categories
- Strong margins with upside opportunity
- Highly competitive dividend payout

* Based on 2011 reported net revenues adjusted for the 53rd week of shipments and divestitures, including the Starbucks CPG business. Includes *Planters*. All figures are unaudited.

Global snacks' geographic profile is unique within consumer products



$35 Billion in Revenues*

- Industry-leading growth
- Drive margin gains through revenue growth and cost containment
- Invest to support future growth
- Top-tier EPS growth plus a modest dividend

* Based on 2011 reported net revenues adjusted for accounting calendar changes, the 53rd week of shipments and divestitures. Excludes *Planters*. All figures are unaudited.

What’s next

- Continue to report as one company
- Initial Form 10 filing, carve-out financials in Q2
- Tax Rulings around mid-year
- Management structures and personnel decisions finalized by mid-year
- Complete separation no later than Dec. 31, 2012
- Investor events close to separation date

2012 will be an exciting year for Kraft Foods and our shareholders

- Strong operating momentum
- Executing separation from position of strength
- The best is yet to come!

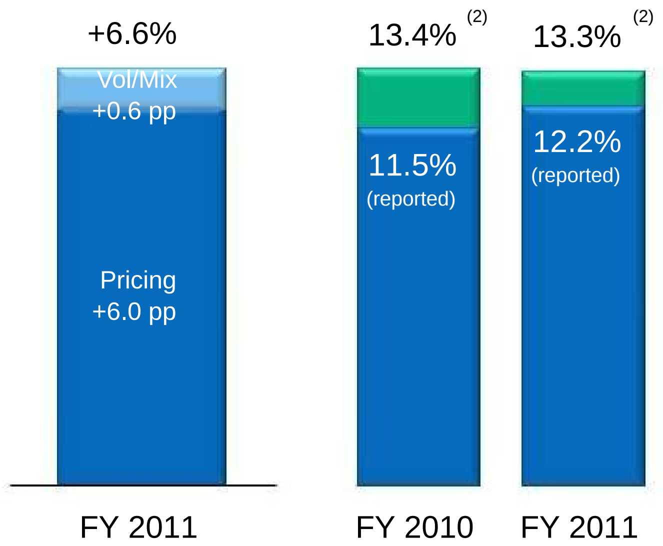
kraft foods

make today delicious

Kraft Foods

Organic Net Revenue Growth (1)

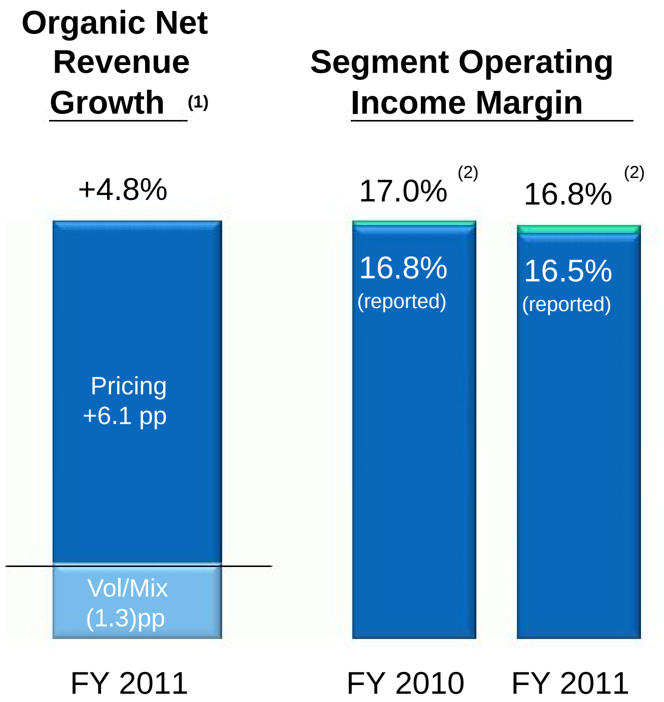
Operating Income Margin



- Revenue growth in top-tier of peer group
  - Positive vol/mix despite significant pricing
- Power Brands +8%
- Underlying OI +10% (3)
  - Pricing fully covered $2.6 billion increase in raw material costs
  - Underlying OI Margin essentially flat due to denominator effect of pricing

(1) Reported Net Revenues increased 10.5% in FY 2011. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Underlying Operating Income margin excludes Integration Program costs, acquisition-related costs and costs associated with the proposed spin-off of the North American grocery business. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(3) Reported Operating Income increased 17.5%. See GAAP to Non-GAAP reconciliation at the end of this presentation.

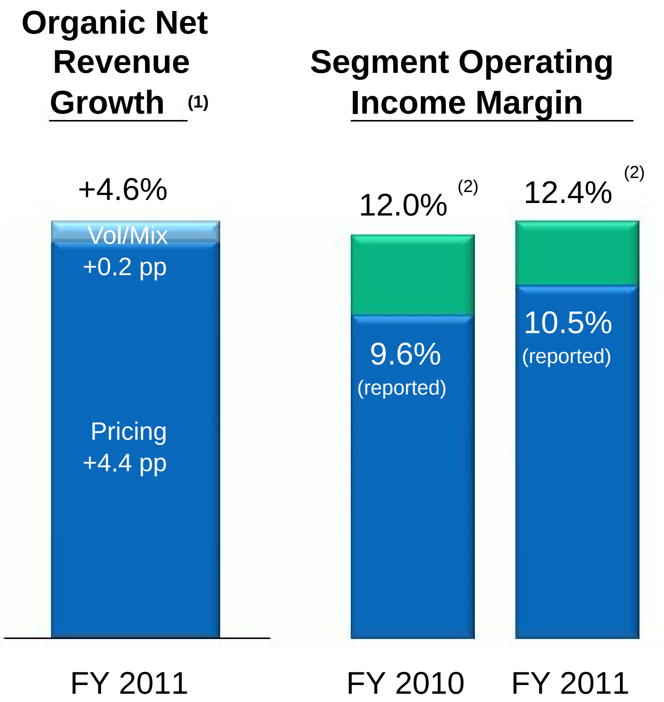
Kraft Foods North America



- Pricing and new products drove revenue growth
  - Vol/mix in line with expectations
  - Power Brands +6%
  - New products contributed 9%+ of revenue
- Underlying SOI +4% (3)
  - (3)pp impact from divestitures, primarily Starbucks CPG business
  - Pricing fully covered increase in raw material costs
- Underlying SOI Margin essentially flat due to denominator effect of pricing

(1) Reported Net Revenues increased 5.1% in FY 2011. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Underlying Operating Income margin excludes Integration Program costs, acquisition-related costs and costs associated with the proposed spin-off of the North American grocery business. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(3) Reported Operating Income increased 3.6%. See GAAP to Non-GAAP reconciliation at the end of this presentation.

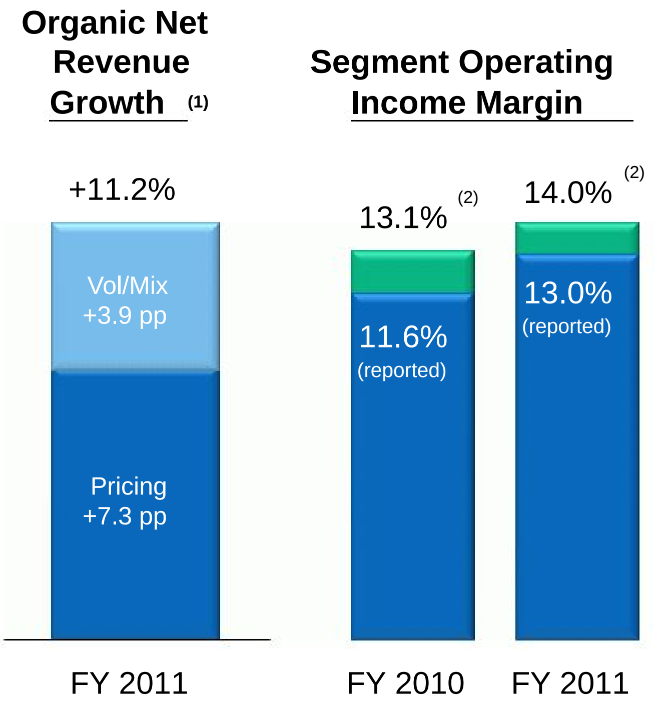
Kraft Foods Europe



- Strong performance in each quarter this year
  - 8 straight quarters of top- and bottom-line gains
  - Positive vol/mix despite significant pricing
- Power Brands +7%
- Underlying SOI +19% (3)
  - Pricing and productivity essentially covered increase in raw material costs

(1) Reported Net Revenues increased 14.9% in FY 2011. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Underlying Operating Income margin excludes Integration Program costs, acquisition-related costs and costs associated with the proposed spin-off of the North American grocery business. See GAAP to Non-GAAP reconciliation at the end of this presentation
(3) Reported Operating Income increased 26.1%. See GAAP to Non-GAAP reconciliation at the end of this presentation.

Kraft Foods Developing Markets



- Strong revenue performance in each region despite volatile market conditions
  - Latin America and Asia Pacific both up double-digits
  - CEEMA up high single-digits
- Power Brands +17%
- Underlying SOI +24%
  - Pricing fully covered increase in raw material costs
  - Vol/mix and overhead leverage drove margin expansion

(1) Reported Net Revenues increased 16.2% in FY 2011. See GAAP to Non-GAAP reconciliation at the end of this presentation.
(2) Underlying Operating Income margin excludes Integration Program costs, acquisition-related costs and costs associated with the proposed spin-off of the North American grocery business. See GAAP to Non-GAAP reconciliation at the end of this presentation
(3) Reported Operating Income increased 30.2%. See GAAP to Non-GAAP reconciliation at the end of this presentation.

GAAP to Non-GAAP Reconciliation

Net Revenues to Organic Net Revenues by Consumer Sector

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

Kraft Foods

	As Reported (GAAP)	Impact of Divestitures	Impact of Acquisitions (2)	Impact of Integration Program	Impact of Accounting Calendar Changes (3)	Impact of Currency	Organic (Non-GAAP)	% Change As Reported (GAAP)	% Change Organic (Non-GAAP)
2011									
Biscuits	$ 12,010	$ -	$ -	$ -	$ (235)	$ (219)	$ 11,556	11.5%	8.7%
Confectionery									
Chocolate	9,607	-	(287)	-	(143)	(361)	8,816	16.1%	6.4%
Gum & Candy	5,575	-	(379)	1	(2)	(151)	5,044	11.6%	1.0%
Other Confectionery	293	-	(3)	-	(6)	(7)	277	(32.6)%	(12.9)%
	15,475	-	(669)	1	(151)	(519)	14,137	12.9%	4.0%
Snacks (1)	**$ 27,485**	**$ -**	**$ (669)**	**$ 1**	**$ (386)**	**$ (738)**	**$ 25,693**	**12.3%**	**6.1%**
2010									
Biscuits	$ 10,775	$ -	$ -	$ -	$ (147)	$ -	$ 10,628		
Confectionery									
Chocolate	8,276	11	-	1	(3)	-	8,285		
Gum & Candy	4,996	-	-	-	-	-	4,996		
Other Confectionery	435	(117)	-	-	-	-	318		
	13,707	(106)	-	1	(3)	-	13,599		
Snacks (1)	**$ 24,482**	**$ (106)**	**$ -**	**$ 1**	**$ (150)**	**$ -**	**$ 24,227**		

(1) Snacks is defined as the combination of the Biscuits sector, which includes cookies, crackers and salted snacks, and the Confectionery sector, which includes chocolate, gum & candy and other confectionery.

(2) Impact of acquisitions reflects the incremental January 2011 operating results from our Cadbury acquisition on February 2, 2010.

(3) Includes the impacts of accounting calendar changes and the 53rd week of shipments in 2011.

GAAP to Non-GAAP Reconciliation

Net Revenues to Organic Net Revenues

For the Twelve Months Ended December 31,

($ in millions, except percentages) (Unaudited)

	As Reported (GAAP)	Impact of Divestitures [1]	Impact of Acquisitions [2]	Impact of Integration Program	Impact of Accounting Calendar Changes [3]	Impact of Currency	Organic (Non-GAAP)	% Change As Reported (GAAP)	% Change Organic (Non-GAAP)
2011									
Kraft Foods North America	$ 25,188	$ (91)	$ (117)	$ -	$ (294)	$ (136)	$ 24,550	5.1%	4.8%
Kraft Foods Europe	13,356	-	(201)	-	(403)	(632)	12,120	14.9%	4.6%
Kraft Foods Developing Markets	15,821	-	(379)	1	(183)	(397)	14,863	16.2%	11.2%
Kraft Foods	**$ 54,365**	**$ (91)**	**$ (697)**	**$ 1**	**$ (880)**	**$ (1,165)**	**$ 51,533**	**10.5%**	**6.6%**
2010									
Kraft Foods North America	$ 23,966	$ (547)	$ -	$ -	$ -	$ -	$ 23,419		
Kraft Foods Europe	11,628	-	-	-	(45)	-	11,583		
Kraft Foods Developing Markets	13,613	(105)	-	1	(148)	-	13,361		
Kraft Foods	**$ 49,207**	**$ (652)**	**$ -**	**$ 1**	**$ (193)**	**$ -**	**$ 48,363**		

(1) Impact of divestitures includes for reporting purposes Starbucks CPG business.

(2) Impact of acquisitions reflects the incremental January 2011 operating results from our Cadbury acquisition on February 2, 2010.

(3) Includes the impacts of accounting calendar changes and the 53rd week of shipments in 2011.

GAAP to Non-GAAP Reconciliation

Net Revenues to Combined Organic Net Revenues

For the Twelve Months Ended December 31,

($ in millions, except percentages) (Unaudited)

								Add back:					% Change			
	As Reported (GAAP)	Impact of Divestitures	Impact of Acquisitions (1)	Impact of Integration Programs	Impact of Accounting Calendar Changes	Impact of Currency	**Organic (Non-GAAP)**	Impact of Acquisitions - Cadbury (1)	Divestitures - Cadbury's Poland and Romania Operations (1)	Impact of Currency - Cadbury (1)	**Cadbury Organic (Non-GAAP) (1)**	**Combined Organic (Non-GAAP)**	**As Reported (GAAP)**	**Organic (Non-GAAP)**	**Cadbury Organic (Non-GAAP) (1)**	**Combined Organic (Non-GAAP)**
2010																
Kraft Foods North America	**$ 23,966**	$ (21)	$ (1,498)	$ -	$ -	$ (251)	**$ 22,196**	$ 1,498	$ -	$ (35)	**$ 1,463**	**$ 23,659**	**8.8%**	**1.1%**	**0.8%**	**1.1%**
Kraft Foods Europe	**11,628**	-	(2,892)	-	(51)	267	**8,952**	2,892	-	91	**2,983**	**11,935**	**32.6%**	**2.3%**	**0.7%**	**1.9%**
Kraft Foods Developing Markets	**13,613**	-	(4,753)	1	(150)	15	**8,726**	4,753	(105)	(302)	**4,346**	**13,072**	**71.1%**	**9.9%**	**5.1%**	**8.2%**
Kraft Foods	**$ 49,207**	**$ (21)**	**$ (9,143)**	**$ 1**	**$ (201)**	**$ 31**	**$ 39,874**	**$ 9,143**	**$ (105)**	**$ (246)**	**$ 8,792**	**$ 48,666**	**27.0%**	**3.2%**	**2.9%**	**3.1%**
2009																
Kraft Foods North America	**$ 22,030**	$ (80)	$ -	$ -	$ -	$ -	**$ 21,950**	$ 1,452	$ -	$ -	**$ 1,452**	**$ 23,402**				
Kraft Foods Europe	**8,768**	(15)	-	-	-	-	**8,753**	2,961	-	-	**2,961**	**11,714**				
Kraft Foods Developing Markets	**7,956**	(14)	-	-	-	-	**7,942**	4,341	(207)	-	**4,134**	**12,076**				
Kraft Foods	**$ 38,754**	**$ (109)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 38,645**	**$ 8,754**	**$ (207)**	**$ -**	**$ 8,547**	**$ 47,192**				

(1) Kraft Foods acquired Cadbury plc on February 2, 2010. Cadbury data, shown above, is for February through December 2010 and 2009, adjusted from IFRS to U.S. GAAP and translated to US$ from local countries' currencies.

GAAP to Non-GAAP Reconciliation

Operating Income To Underlying Operating Income

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

	2011					2010			
	As Reported (GAAP)	Integration Program Costs[1]	Acquisition-Related Costs[2]	Spin-off Costs[3]	**Underlying (Non-GAAP)**	**As Reported (GAAP)**	Integration Program Costs[1]	Acquisition-Related Costs[2]	**Underlying (Non-GAAP)**
Kraft Foods									
Operating Income	$ 6,657	$ 521	$ -	$ 46	$ 7,224	$ 5,666	$ 646	$ 273	$ 6,585
Growth vs. Prior Year	17.5%				9.7%				
Operating Income Margin	12.2%				13.3%	11.5%			13.4%
Kraft Foods North America									
Segment Operating Income	$ 4,167	$ 66	$ -	$ -	$ 4,233	$ 4,021	$ 54	$ 7	$ 4,082
Growth vs. Prior Year	3.6%				3.7%				
Segment Operating Income Margin	16.5%				16.8%	16.8%			17.0%
Kraft Foods Europe									
Segment Operating Income	$ 1,406	$ 256	$ -	$ -	$ 1,662	$ 1,115	$ 256	$ 23	$ 1,394
Growth vs. Prior Year	26.1%				19.2%				
Segment Operating Income Margin	10.5%				12.4%	9.6%			12.0%
Kraft Foods Developing Markets									
Segment Operating Income	$ 2,053	$ 161	$ -	$ -	$ 2,214	$ 1,577	$ 181	$ 25	$ 1,783
Growth vs. Prior Year	30.2%				24.2%				
Segment Operating Income Margin	13.0%				14.0%	11.6%			13.1%

(1) Integration Program costs are defined as the costs associated with combining the Kraft Foods and Cadbury businesses, and are separate from those costs associated with the acquisition.

(2) Acquisition-related costs include transaction advisory fees, U.K. stamp taxes and the impact of the Cadbury inventory revaluation.

(3) Spin-off costs include transaction fees and other costs associated with the proposed spin-off of the North American grocery business.

GAAP to Non-GAAP Reconciliation

Diluted Earnings per Share to Operating EPS

For the Twelve Months Ended December 31,

(Unaudited)

2011	As Reported (GAAP)	Integration Program Costs [1]	Acquisition-Related Costs [2] and Financing Fees [3]	U.S. Health Care Legislation Impact on Deferred Taxes	Spin-off Costs [4]	Operating (Non-GAAP)	Currency	Operating Constant Fx (Non-GAAP)	% Growth: As Reported EPS Growth (GAAP)	% Growth: Operating EPS Growth (Non-GAAP)	% Growth: Operating Constant Fx EPS Growth (Non-GAAP)
Diluted EPS											
- Continuing operations	**$ 1.99**	$ 0.28	$ -	$ -	$ 0.02	**$ 2.29**	$ (0.06)	**$ 2.23**	**38.2%**	**13.4%**	**10.4%**
- Discontinued operations	-										
- Net earnings attributable to Kraft Foods	$ 1.99								**(16.7)%**		
2010											
Diluted EPS											
- Continuing operations	**$ 1.44**	$ 0.29	$ 0.21	$ 0.08	$ -	**$ 2.02**	$ -	**$ 2.02**			
- Discontinued operations	0.95										
- Net earnings attributable to Kraft Foods	$ 2.39										

[1] Integration Program costs are defined as the costs associated with combining the Kraft Foods and Cadbury businesses, and are separate from those costs associated with the acquisition. Integration Program costs were $521 million, or $497 million after-tax including certain tax costs associated with the integration of Cadbury, for the twelve months ended December 31, 2011, as compared to $657 million, or $497 million after-tax for the twelve months ended December 31, 2010.

[2] Acquisition-related costs include transaction advisory fees, U.K. stamp taxes and the impact of the Cadbury inventory revaluation.

[3] Acquisition-related financing fees include hedging and foreign currency impacts associated with the Cadbury acquisition and other fees associated with the Cadbury bridge facility.

[4] Spin-off costs include transaction fees and other costs associated with the proposed spin-off of the North American grocery business.

GAAP to Non-GAAP Reconciliation

Diluted Earnings per Share to Operating EPS

For the Twelve Months Ended December 31,

(Unaudited)

	As Reported (GAAP)	Integration Program Costs [1]	Acquisition-Related Costs [2] and Financing Fees [3]	U.S. Health Care Legislation Impact on Deferred Taxes	Operating (Non-GAAP)	% Growth: As Reported EPS Growth (GAAP)	% Growth: Operating EPS Growth (Non-GAAP)
2010							
Diluted EPS							
- Continuing operations	**$ 1.44**	$ 0.29	$ 0.21	$ 0.08	**$ 2.02**	**(23.8)%**	**4.7%**
- Discontinued operations	0.95						
- Net earnings attributable to Kraft Foods	$ 2.39					**17.7%**	
2009							
Diluted EPS							
- Continuing operations	**$ 1.89**	$ -	$ 0.04	$ -	**$ 1.93**		
- Discontinued operations	0.14						
- Net earnings attributable to Kraft Foods	$ 2.03						

(1) Integration Program costs are defined as the costs associated with combining the Kraft Foods and Cadbury businesses, and are separate from those costs associated with the acquisition.

(2) Acquisition-related costs include transaction advisory fees, U.K. stamp taxes and the impact of the Cadbury inventory revaluation.

(3) Acquisition-related financing fees include hedging and foreign currency impacts associated with the Cadbury acquisition and other fees associated with the Cadbury bridge facility.

GAAP to Non-GAAP Reconciliation

Overheads

For the Twelve Months Ended December 31,

($ in millions, except percentages) (Unaudited)

	2011							2010				Increase/(Decrease)		
	As Reported (GAAP)	Integration Program Costs (1)	Acquisition-Related Costs (2)	Spin-off Costs (3)	**Underlying (Non-GAAP)**	Currency	**Underlying Constant Fx (Non-GAAP)**	**As Reported (GAAP)**	Integration Program Costs (1)	Acquisition-Related Costs (2)	**Underlying (Non-GAAP)**	**As Reported (GAAP)**	**Underlying (Non-GAAP)**	**Underlying Constant Fx (Non-GAAP)**
Kraft Foods														
Net Revenues	$ 54,365	$ 1	$ -	$ -	$ 54,366	$ (1,165)	$ 53,201	$ 49,207	$ 1	$ -	$ 49,208			
Overheads	$ 7,980	$ (405)	$ -	$ (46)	$ 7,529	$ (174)	$ 7,355	$ 7,894	$ (574)	$ (218)	$ 7,102	1.1%	6.0%	3.6%
Overheads as % of Net Revenues	14.7%				13.8%		13.8%	16.0%			14.4%	(1.3)pp	(0.6)pp	(0.6)pp
Kraft Foods North America														
Net Revenues	$ 25,188	$ -	$ -	$ -	$ 25,188	$ (136)	$ 25,052	$ 23,966	$ -	$ -	$ 23,966			
Overheads	$ 2,932	$ (52)	$ -	$ -	$ 2,880	$ (14)	$ 2,866	$ 2,933	$ (51)	$ -	$ 2,882	-	(0.1%)	(0.6%)
Overheads as % of Net Revenues	11.6%				11.4%		11.4%	12.2%			12.0%	(0.6)pp	(0.6)pp	(0.6)pp
Kraft Foods Europe														
Net Revenues	$ 13,356	$ -	$ -	$ -	$ 13,356	$ (632)	$ 12,724	$ 11,628	$ -	$ -	$ 11,628			
Overheads	$ 2,072	$ (170)	$ -	$ -	$ 1,902	$ (93)	$ 1,809	$ 2,031	$ (209)	$ -	$ 1,822	2.0%	4.4%	(0.7%)
Overheads as % of Net Revenues	15.5%				14.2%		14.2%	17.5%			15.7%	(2.0)pp	(1.5)pp	(1.5)pp
Kraft Foods Developing Markets														
Net Revenues	$ 15,821	$ 1	$ -	$ -	$ 15,822	$ (397)	$ 15,425	$ 13,613	$ 1	$ -	$ 13,614			
Overheads	$ 2,476	$ (145)	$ -	$ -	$ 2,331	$ (65)	$ 2,266	$ 2,187	$ (158)	$ -	$ 2,029	13.2%	14.9%	11.7%
Overheads as % of Net Revenues	15.7%				14.7%		14.7%	16.1%			14.9%	(0.4)pp	(0.2)pp	(0.2)pp

(1) Integration Program costs are defined as the costs associated with combining the Kraft Foods and Cadbury businesses, and are separate from those costs associated with the acquisition.

(2) Acquisition-related costs include transaction advisory fees, U.K. stamp taxes and the impact of the Cadbury inventory revaluation.

(3) Spin-off costs include transaction fees and other costs associated with the proposed spin-off of the North American grocery business.

GAAP to Non-GAAP Reconciliation

Net Cash Provided by Operating Activities to Adjusted Free Cash Flow

For the Twelve Months Ended December 31,

($ in billions) (Unaudited)

	2007	2008	2009	2010	2011
Net Cash Provided by Operating Activities (GAAP)	**$ 3.6**	**$ 4.1**	**$ 5.1**	**$ 3.7**	**$ 4.5**
Capital Expenditures	(1.2)	(1.4)	(1.3)	(1.7)	(1.8)
Free Cash Flow (Non-GAAP) [1]	**$ 2.3**	**$ 2.8**	**$ 3.8**	**$ 2.1**	**$ 2.7**
Taxes Paid on Frozen Pizza Business Divestiture	-	-	-	1.2	-
Voluntary Pension Contributions	-	-	0.4	-	0.5
Adjusted Free Cash Flow (Non-GAAP)	**$ 2.3**	**$ 2.8**	**$ 4.2**	**$ 3.3**	**$ 3.2**

[1] May not add due to rounding