



April 2, 2012

Kraft Foods Announces Filing Of Form 10 Registration Statement For Planned Spin-Off Of North American Grocery Company

Separation Remains On-Track for Completion before End of 2012

NORTHFIELD, Ill., April 2, 2012 /PRNewswire/ -- Kraft Foods Inc. (NYSE:KFT) today announced the North American grocery business of its wholly owned subsidiary Kraft Foods Group, Inc. filed an initial Form 10 Registration Statement with the U.S. Securities & Exchange Commission. This filing relates to the company's previously announced plan to divide and create two industry-leading public companies before the end of 2012: a high-growth global snacks business and a high-margin North American grocery business.

"The filing of the Form 10 Registration Statement is an important step in the process of establishing the North American grocery business as a new, stand-alone company with its own strategic focus and priorities," said Chairman and CEO Irene Rosenfeld. "We believe that this business is well-positioned for success as an independent company."

Kraft Foods Inc. intends to spin-off its North American grocery business through a tax-free distribution of shares to shareholders. Following the transaction, the North American grocery business will be an independent, public company operating under the Kraft Foods Group name.

Kraft Foods Group, with 2011 combined net revenues of \$18.7 billion, will operate one of the largest and most-admired food and beverage businesses in North America. It will manufacture and market food and beverage products, including convenient meals, refreshment beverages and coffee, cheese and other grocery products, primarily in the United States and Canada, under a stable of iconic brands.

Its diverse brand portfolio consists of many of the most popular food brands in North America, including three brands with annual net revenues exceeding \$1 billion each — *Kraft* cheeses, dinners and dressings; *Oscar Mayer* meats; and *Maxwell House* coffees — plus more than 20 brands with annual net revenues of between \$100 million and \$1 billion each.

Kraft Foods Group's goal as an independent public company is to deliver superior operating income, strong cash flows and a highly competitive dividend payout while driving revenue growth in its key product categories. To achieve this, the company intends to build on its leading market positions, remain sharply focused on cost structure and superior execution and invest in employee and organization excellence.

The spin-off is subject to customary conditions, including receipt of regulatory approvals, an opinion from tax counsel and a favorable ruling from the Internal Revenue Service to ensure the tax-free status of the spin-off to shareholders, execution of inter-company agreements, further due diligence as appropriate and final approval of the Kraft Foods Inc. Board of Directors.

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 kraftfoodscompany.com and facebook.com/kraftfoodscompany.

Forward-Looking Statements

This press release contains a number of forward-looking statements. Words, and variations of words such as "plan," "believe," "goal," "intend," "will," and similar expressions are intended to identify our forward-looking statements, including but not limited to, our plan to divide and create two industry-leading public companies; that the North American grocery business is well-positioned for success; the distribution will be tax-free; expectations for the global snacks business and for the North American grocery business; and spin-off conditions. 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, increased competition, continued weakness in economic conditions 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.

- make today delicious -

SOURCE Kraft Foods Inc.

Michael Mitchell (Media), +1-847-646-4538, news@kraftfoods.com, or Christopher M. Jakubik (Investors), +1-847-646-5494, ir@kraftfoods.com, both of Kraft