

---

---

**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): January 12, 2010**

---

**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 2.02. Results of Operations and Financial Condition.**

This information shall 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 (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in that filing.

On January 12, 2010, Kraft Foods Inc., a Virginia corporation, issued a press release announcing increased guidance for our 2009 diluted earnings per share to at least \$2.00 versus the previous expectation of at least \$1.97. A copy of our press release is furnished as Exhibit 99.1 to this report.

**Item 7.01. Regulation FD Disclosure.**

This information shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in that filing.

On January 12, 2010, our independent registered accounting firm, PricewaterhouseCoopers LLP, delivered to us a report on our profit estimate. This report was prepared at our request to meet our obligations under The City Code on Takeovers and Mergers (the “Takeover Code”) issued by The Panel on Takeovers and Mergers in connection with our possible combination with Cadbury plc. A copy of our profit estimate, the bases for the profit estimate and a copy of the profit estimate report are furnished as Exhibits 99.2 and 99.3 to this report.

On January 12, 2010, Lazard & Co., Limited, Centerview Partners UK LLP, Citigroup Global Markets Limited and Deutsche Bank AG, London Branch (together, the “Financial Advisors”) delivered to us a report on our profit estimate. This report was prepared at our request to enable us to meet our obligations under the Takeover Code in connection with the possible combination with Cadbury plc. A copy of the Financial Advisors’ report is furnished as Exhibit 99.4 to this report.

**Item 9.01. Exhibits.**

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

<b>Exhibit Number</b>	<b>Description</b>
99.1	Kraft Foods Press Release, dated January 12, 2010.
99.2	Kraft Foods Profit Estimate Report.
99.3	Report of the Reporting Accountant, PricewaterhouseCoopers LLP, on Profit Estimate, dated January 12, 2010.
99.4	Report of the Financial Advisors on Profit Estimate, dated January 12, 2010.





**Contacts:** Michael Mitchell (Media)  
 +1-847-646-4538  
[news@kraft.com](mailto:news@kraft.com)

Christopher M. Jakubik (Investors)  
 +1-847-646-5494  
[ir@kraft.com](mailto:ir@kraft.com)

**KRAFT FOODS RAISES GUIDANCE FOR 2009 DILUTED EARNINGS PER SHARE  
 TO AT LEAST \$2.00 FROM AT LEAST \$1.97**

NORTHFIELD, Ill. – Jan. 12, 2010 – Kraft Foods (NYSE: KFT) today increased its guidance for 2009 diluted earnings per share to at least \$2.00 versus the previous expectation of at least \$1.97.<sup>1</sup> This increased guidance reflects strong operating gains as well as a significant increase in marketing investments versus the prior year.

“As we complete our turnaround, we’re delivering high-quality earnings growth, despite the difficult economic environment,” said Kraft Foods’ Chairman and CEO Irene Rosenfeld. “And we’re doing this while continuing to invest in our brands and businesses. As a result, we’re well positioned to deliver sustainable top-tier performance, with or without Cadbury.”

**About Kraft Foods**

Kraft Foods ([www.kraftfoodscompany.com](http://www.kraftfoodscompany.com)) makes today delicious in 150 countries around the globe. Our 100,000 employees work tirelessly to make delicious foods consumers can feel good about. From American brand icons like *Kraft* cheeses, dinners and dressings, *Maxwell House* coffees and *Oscar Mayer* meats, to global powerhouse brands like *Oreo* and *LU* biscuits, *Philadelphia* cream cheeses, *Jacobs* and *Carte Noire* coffees, *Tang* powdered beverages and *Milka*, *Côte d’Or*, *Lacta* and *Toblerone* chocolates, our brands deliver millions of smiles every day. Kraft Foods is the world’s second largest food company with revenues of \$42 billion in 2008. The company is a member of the Dow Jones Industrial Average, Standard & Poor’s 500, the Dow Jones Sustainability Index and the Ethibel Sustainability Index.

<sup>1</sup> The diluted earnings per share guidance constitutes a profit estimate which must be reported on under Rule 28 of the U.K. City Code on Takeovers and Mergers (the "Takeover Code"). Please refer to our Form 8-K filed with the SEC on Jan. 12, 2010, which includes the report of our reporting accountant on the profit estimate and the accompanying report of our financial advisers. In accordance with Rule 28.8 of the Takeover Code, please also refer to our Form 10-Q filed with the SEC on May 5, 2009, containing our first quarter 2009 results, our Form 10-Q filed with the SEC on Aug. 5, 2009, containing our second quarter 2009 results, and our Form 10-Q filed with the SEC on Nov. 3, 2009, containing our third quarter 2009 results.

## Forward Looking Statements Safe-Harbor

This press release contains forward-looking statements, including but not limited to statements regarding our increased guidance for 2009 diluted earnings per share, reflecting strong operating gains as well as a significant increase in marketing investments versus the prior year; that we are delivering high-quality earnings growth despite the difficult economic environment, while continuing to invest in our brands and businesses; and that we are well-positioned to deliver sustainable top-tier performance, with or without Cadbury. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Kraft Foods' control, that could cause Kraft Foods' actual results to differ materially from those indicated in any such forward-looking statements. Such factors include, but are not limited to, continued volatility of input costs, pricing actions, increased competition, our ability to differentiate our products from private label products, our indebtedness and ability to pay our indebtedness, the shift in our product mix to lower margin offerings, risks from operating internationally, tax law changes, failure to obtain necessary regulatory approvals or required financing or to satisfy any of the other conditions to the combination, adverse effects on the market price of our common stock and on our operating results because of a failure to complete the combination, failure to realize the expected benefits of the proposed combination with Cadbury, significant transaction costs and/or unknown liabilities and general economic and business conditions that could affect the combined companies following the combination. For additional information on these and other factors that could affect our forward-looking statements, see the risk factors set forth in Kraft Foods' filings with the US Securities and Exchange Commission ("SEC"), including the registration statement on Form S-4 filed by Kraft Foods in connection with our proposed combination with Cadbury, Kraft Foods' 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.

## Additional US-Related Information

This press release is provided for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell shares of Cadbury or Kraft Foods. Kraft Foods has filed a registration statement and tender offer documents with the SEC in connection with the offer. **Cadbury shareholders should read those filings, and any other filings made by Kraft Foods with the SEC in connection with the proposed combination, as they contain important information.** Those documents, as well as Kraft Foods' other public filings with the SEC, may be obtained without charge at the SEC's website at [www.sec.gov](http://www.sec.gov) and at Kraft Foods' website at [www.kraftfoodscompany.com](http://www.kraftfoodscompany.com).

---

**Further Information**

This press release is not intended to, and does not constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to this press release or otherwise. The full terms and conditions of the offer for Cadbury plc (the "Offer") (not including the partial cash alternative (the "Partial Cash Alternative")), including details of how the Offer may be accepted (but not how elections for the Partial Cash Alternative may be made), are set out in the offer documentation issued by Kraft Foods on December 4, 2009. The revised offer documentation, which will contain the full conditions and the revised terms of the Offer, including details of the Partial Cash Alternative, will be published and/or filed, as applicable, on or before January 19, 2010.

The release, publication or distribution of this announcement in jurisdictions other than the UK, the US, Canada, France, Ireland and Spain, and the availability of the Offer to shareholders of Cadbury plc who are not resident in such jurisdictions may be affected by the laws and regulations of relevant jurisdictions. Therefore any persons who are subject to the laws and regulations of any jurisdiction other than the UK, Canada, France, Ireland or Spain and shareholders of Cadbury plc who are not resident in such jurisdictions should inform themselves of and observe any applicable requirements.

**- make today delicious -**

**PROFIT ESTIMATE FOR THE KRAFT FOODS GROUP FOR THE YEAR ENDED 31 DECEMBER 2009****1. GENERAL**

Kraft Foods made the following public statement on 3 November 2009 within its third quarter earnings release: “*Kraft Foods increased its guidance for 2009 diluted earnings per share to at least \$1.97 versus the previous expectation of at least \$1.93*”.\*

Diluted earnings per share is defined as net earnings attributable to Kraft Foods divided by weighted average diluted shares. Weighted average shares for diluted earnings per share adds back incremental shares from assumed conversions of stock options, net of assumed share repurchases and LTIP shares to the weighted average shares of basic earnings per share.

The Kraft Foods Directors now estimate that the diluted earnings per share for the year ended 31 December 2009 will be higher than that indicated in the above guidance, and as a result updated their guidance in the following public statement on 12 January 2010:

*“Kraft Foods increased its guidance for 2009 diluted earnings per share to at least \$2.00 versus the previous expectation of at least \$1.97.”*

The statement regarding diluted earnings per share for the year ended 31 December 2009 constitutes a profit estimate (the “Profit Estimate”) for the purposes of the Takeover Code.

The Profit Estimate includes an estimate for certain costs in connection with Kraft Foods’ possible combination with Cadbury that are recognisable under US GAAP.

The Profit Estimate comprises diluted earnings per share rather than statutory earnings from continuing operations before income taxes, as diluted earnings per share is one of the primary profit measures historically used by Kraft Foods in their external reporting.

**2. BASIS OF PREPARATION**

The Profit Estimate has been prepared on a basis consistent with the accounting policies of Kraft Foods, which are in accordance with US GAAP and those which Kraft Foods anticipates will be applicable for the full year ended 31 December 2009.

The Kraft Foods Directors have prepared the Profit Estimate based on the unaudited interim condensed consolidated financial statements for the nine months ended 30 September 2009, the unaudited management accounts for the two months ended 30 November 2009 and an estimate of the results for Kraft Foods for the one month period ending 31 December 2009.

**Report of Reporting Accountant**

The accounting policies and calculations underlying the Profit Estimate included in Exhibit 99.2 have been reported upon by the U.S. firm of PricewaterhouseCoopers LLP, our independent registered public accounting firm. PricewaterhouseCoopers LLP's report (the "PwC Report") is set forth below.

PricewaterhouseCoopers LLP has prepared the PwC Report at our request solely to enable us to meet certain of our obligations pursuant to Rule 28.3(b) of The City Code on Takeovers and Mergers (the "Takeover Code") in the United Kingdom. The Takeover Code applies to the possible combination with Cadbury plc (the "Offer") because Cadbury plc has its registered office in the United Kingdom and its securities are admitted to trading on the London Stock Exchange. Rule 28.4 of the Takeover Code requires that documents published in connection with the Offer (including this Form 8-K) include an accountants' report on the Profit Estimate because we published the Profit Estimate during the offer period (as defined in the Takeover Code).

We are not required to provide the PwC Report by the U.S. securities laws, the rules of the SEC, or any other applicable U.S. law. Accordingly, the PwC Report is intended to be relied upon only by those persons to whom it is expressly addressed and the Cadbury plc shareholders to which the Offer is made and should not be relied upon by any other person.

The PwC Report was prepared in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. It was not prepared in accordance with auditing or other standards and practices generally accepted in the United States of America, or other jurisdictions, nor the auditing standards and practices of the Public Company Accounting Oversight Board (United States), nor does it constitute an examination, compilation or review under those standards and practices. Accordingly, it should not be relied upon as if it had been carried out in accordance with those U.S. standards and practices or any standards other than the U.K. standards mentioned above. Additionally, to the extent permitted by law and as set forth in the PwC Report, PricewaterhouseCoopers LLP's liability for the PwC Report, which is addressed to our Board of Directors and our financial advisers, is limited to any responsibility PricewaterhouseCoopers LLP may have to the addressees of the Report and Cadbury plc's shareholders as a result of inclusion of this report in this Form 8-K.

Cadbury plc shareholders should review the PwC Report in its entirety, and the foregoing statements are qualified by reference to the full PwC Report.



---

The Directors  
Kraft Foods Inc.  
Three Lakes Drive  
Northfield, Illinois, 60093  
United States of America

Lazard & Co., Limited  
50 Stratton Street  
London, W1J 8LL  
United Kingdom

Centerview Partners UK LLP  
Ryder Court  
14 Ryder Street  
London SW1Y 6QB  
United Kingdom

Citigroup Global Markets Limited  
Citigroup Centre  
London, E14 5LB  
United Kingdom

Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London, EC2N 2DB  
United Kingdom

12 January 2010

Dear Sirs

**Kraft Foods Inc.**

We report on the profit estimate comprising the statement by Kraft Foods Inc. (“Kraft Foods”) in respect of diluted earnings per share of Kraft Foods and its consolidated subsidiaries (together the “Kraft Foods Group”) for the year ended 31 December 2009 (the “Profit Estimate”). The Profit Estimate and the basis on which it is prepared, is set out in Exhibit 99.2 of this Form 8-K furnished by Kraft Foods dated 12 January 2010 (the “Form 8-K”).

This report is required by Rule 28.3(b) of the City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers (the “Takeover Code”) and is given for the purpose of complying with that rule and for no other purpose.

**Responsibilities**

It is the responsibility of the directors of Kraft Foods (the “Kraft Foods Directors”) to prepare the Profit Estimate in accordance with the requirements of the Takeover Code. In preparing the Profit Estimate the Directors are responsible for correcting errors that they have identified which may have arisen in unaudited financial results and unaudited management accounts used as the basis of preparation for the Profit Estimate.

It is our responsibility to form an opinion as required by Rule 28.3(b) of the Takeover Code as to the proper compilation of the Profit Estimate and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed or to the shareholders of Cadbury plc as a result of the inclusion of this report in the Form 8-K under Rule 28.3(b) of the Takeover Code, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 28.4 of the Takeover Code, consenting to its inclusion in the Form 8-K.

### **Basis of Preparation of the Profit Estimate**

The Profit Estimate has been prepared on the basis stated in Exhibit 99.2 of the Form 8-K and is based on the unaudited interim financial results for the nine months ended 30 September 2009, unaudited management accounts for the two months ended 30 November 2009 and an estimate of the results of Kraft Foods for the one month ended 31 December 2009. The Profit Estimate is required to be presented on a basis consistent with the accounting policies of the Kraft Foods Group.

### **Basis of Opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included evaluating the basis on which the historical financial information for the eleven months to 30 November 2009 included in the Profit Estimate has been prepared and considering whether the Profit Estimate has been accurately computed using that information and whether the basis of accounting used is consistent with the accounting policies of the Kraft Foods Group.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Estimate has been properly compiled on the basis stated.

However, the Profit Estimate has not been audited. The actual results reported, therefore, may be affected by revisions required to accounting estimates due to changes in circumstances, the impact of unforeseen events and the correction of errors in the interim financial results or management accounts. Consequently we can express no opinion as to whether the actual results achieved will correspond to those shown in the Profit Estimate and the difference may be material.

Our work on the Profit Estimate does not constitute an audit. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America, or other jurisdictions (other than in the United Kingdom), nor the auditing standards and practices of the Public Company Accounting Oversight Board (United States), nor does it constitute an examination, compilation or review under those standards and practices. Accordingly, it should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion**

In our opinion, the Profit Estimate has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Kraft Foods Group.

Yours faithfully

/s/ PricewaterhouseCoopers LLP  
Chicago, Illinois

PricewaterhouseCoopers LLP has given and not withdrawn its consent to the publication of this Form 8-K dated 12 January 2010 with the inclusion of its report in the form and context in which it appears. This is not a consent pursuant to or as contemplated or referenced by the U.S. Securities Act of 1933 or any other U.S. law, rule or regulation.

Lazard & Co., Limited  
50 Stratton Street  
London  
W1J 8LL  
United Kingdom

Centerview Partners UK LLP  
Ryder Court  
14 Ryder Street  
London  
SW1 6QB  
United Kingdom

Citigroup Global Markets Limited  
Citigroup Centre  
Canada Square  
London  
E14 5LB  
United Kingdom

Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London  
EC2N 2DB  
United Kingdom

To: The Directors  
Kraft Foods Inc.  
Three Lakes Drive  
Northfield  
Illinois  
60093  
United States of America

12 January 2010

Dear Sirs

**Report on profit estimate by Kraft Foods Inc.**

We refer to the profit estimate comprising the statement by Kraft Foods Inc. ("**Kraft Foods**") in respect of the diluted earnings per share of Kraft Foods and its consolidated subsidiaries (together the "**Kraft Foods Group**") for the year ending 31 December 2009 (the "**Profit Estimate**").

We have discussed the Profit Estimate and the basis on which it has been prepared with the executive officers of Kraft Foods and with PricewaterhouseCoopers LLP. Kraft Foods has confirmed to us that all information relevant to the Profit Estimate has been disclosed to us. We have relied upon the accuracy and completeness of all such information and have assumed such accuracy and completeness for the purposes of providing this letter to you. We have also discussed the accounting policies and basis of calculation for the Profit Estimate with the executive officers of Kraft Foods and with PricewaterhouseCoopers LLP and we have considered PricewaterhouseCoopers LLP's letter dated 12 January 2010 addressed to you and us on this matter.

This letter to you is solely in connection with Rule 28.3(b) of the City Code on Takeovers and Mergers and for no other purpose. Accordingly, save for any responsibility that we may have to those persons to whom this letter is expressly addressed, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person for any loss suffered by any such person as a result of, or in connection with, this letter.

On the basis of the foregoing, we consider that the Profit Estimate, for which you in your capacity as directors are solely responsible, for the purposes of the City Code on Takeovers and Mergers, has been prepared with due care and consideration by the directors.

Each of Lazard & Co., Limited, Centerview Partners UK LLP, Citigroup Global Markets Limited and Deutsche Bank AG, London Branch has given and not withdrawn its consent to the publication of the Profit Estimate with the inclusion of this letter and the references to its name in the form and context in which they appear.

Yours faithfully,

for and on behalf of

Lazard & Co., Limited

Centerview Partners UK LLP

Citigroup Global Markets Limited

Deutsche Bank AG, London Branch

*Lazard & Co., Limited, which is authorised and regulated by the Financial Services Authority in the United Kingdom, is acting as financial adviser to Kraft Foods and no one else in connection with the Offer and will not be responsible to any person other than Kraft Foods for providing the protections afforded to clients of Lazard & Co., Limited, nor for providing advice in relation to the Offer or any matters referred to herein.*

*Centerview Partners UK LLP, which is authorised and regulated by the Financial Services Authority in the United Kingdom, is acting as financial adviser to Kraft Foods and no one else in connection with the Offer and will not be responsible to any person other than Kraft Foods for providing the protections afforded to clients of Centerview Partners UK LLP, nor for providing advice in relation to the Offer or any matters referred to herein.*

*Citigroup Global Markets Limited, which is authorised and regulated by the Financial Services Authority in the United Kingdom, is acting as financial adviser and corporate broker to Kraft Foods and no one else in connection with the Offer and will not be responsible to any person other than Kraft Foods for providing the protections afforded to clients of Citigroup Global Markets Limited, nor for providing advice in relation to the Offer or any matters referred to herein.*

*Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin—Federal Financial Supervisory Authority) and authorised and subject to limited regulation by the Financial Services Authority. Details about the extent of Deutsche Bank AG's authorisation and regulation by the Financial Services Authority are available on request. Deutsche Bank AG, London Branch (and its affiliates) are acting as financial adviser and corporate broker to Kraft Foods and no one else in connection with the Offer and will not be responsible to any person other than Kraft Foods for providing the protections afforded to clients of Deutsche Bank AG, London Branch (or its affiliates), nor for providing advice in relation to the Offer or any matters referred to herein.*