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Kraft Foods to Sell Wedel Business in Poland to Lotte Group

Divestiture Satisfies European Commission Requirement of Cadbury Acquisition

NORTHFIELD, Ill., June 28, 2010 /PRNewswire via COMTEX/ --

Kraft Foods today announced it has signed an agreement to sell Cadbury's *E. Wedel*-branded chocolate and sugar confectionery operations in Poland to Lotte Group for an undisclosed sum. The sale, which is subject to customary regulatory approvals, includes the *E. Wedel* business, its related brands and a manufacturing facility in Warsaw. Approximately 1,000 Cadbury Wedel employees will transfer to Lotte Group.

Kraft Foods will keep the remaining Cadbury business in Poland, including the *Halls* brand and other non-*E. Wedel*-branded chocolate and sugar confectionery products sold in Poland and two manufacturing plants in Skarbimierz. Subject to approval by the European Commission, Kraft Foods will also retain a third Cadbury plant in Bielany Wroclawskie, Poland.

This sale follows the European Commission's decision to approve Kraft Foods' acquisition of Cadbury plc conditioned on the divestiture of the Cadbury *E. Wedel* business in Poland and the Cadbury chocolate confectionery and soft-cake business in Romania. The divestiture of the Romanian business will be the subject of a separate announcement at a later date.

With annual revenues of approximately \$48 billion, Kraft Foods is a global powerhouse in snacks, confectionery and quick meals. The company is the world's second largest food company, making delicious products for billions of consumers in more than 160 countries. The portfolio includes 11 iconic brands with revenues exceeding \$1 billion - *Oreo*, *Nabisco* and *LU* biscuits; *Milka* and *Cadbury* chocolates; *Trident* gum; *Jacobs* and *Maxwell House* coffees; *Philadelphia* cream cheeses; *Kraft* cheeses, dinners and dressings; and *Oscar Mayer* meats. Approximately 70 brands generate annual revenues of more than \$100 million. Kraft Foods (<http://www.kraftfoodscompany.com/>; NYSE: KFT) is a member of the Dow Jones Industrial Average, Standard & Poor's 500, Dow Jones Sustainability Index and Ethibel Sustainability Index.

Based in Tokyo, Lotte Group is a multinational conglomerate with annual sales of Yen3,547bn (approximately \$40bn). Founded in 1948 as a chewing gum company, it currently operates in a variety of sectors, including food and confectionery, retail, travel and tourism, industrial chemicals and construction, and finance. As the original business, confectionery is at the core of the Lotte Group's operations. Lotte Group's confectionery portfolio includes many well-known Asian brands, such as Xylitol, Koala March and Ghana. Lotte Group (<http://www.lotte.co.jp/english/index.html>) is the largest chewing gum manufacturer in Asia and third largest in the world.

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SOURCE Kraft Foods