

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person * <u>Sanjay Khosla</u>  (Last) (First) (Middle) KRAFT FOODS INC. THREE LAKES DRIVE  (Street) NORTHFIELD IL 60093  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>KRAFT FOODS INC [ KFT ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>EVP &amp; Pres Kraft Foods Dev Mkt</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>08/09/2012</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Class A Common Stock	08/09/2012		M		54,400 <sup>(1)</sup>	A	\$23.64	103,140	D	
Class A Common Stock	08/09/2012		F		31,407 <sup>(1)</sup>	D	\$40.95	71,733	D	
Class A Common Stock	08/09/2012		F		9,531 <sup>(1)</sup>	D	\$40.95	62,202	D	
Class A Common Stock								115,729 <sup>(2)</sup>	I	By Revocable Trust

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Stock Option (Right to Buy)	\$23.638	08/09/2012		M			54,400	(1)	02/20/2019	Class A Common Stock	54,400	\$0	0	D	

**Explanation of Responses:**

- This Form 4 is being filed to report the exercise of stock options that became 100% exercisable on February 17, 2012 and expire on February 20, 2019, and to report the surrender of securities in payment of the exercise price and taxes.
- Since the date of Mr. Khosla's last ownership report, he transferred 66,618 shares of Kraft Foods common stock from a directly owned account to a revocable trust account.

/s/ Phuong Lam, by Power of Attorney 08/13/2012

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.