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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**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): September 25, 2003**

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**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**

(Former name or former address, if changed since last report.)

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Item 5. Other Events.

Kraft Foods Inc. (the "Company") has filed with the Securities and Exchange Commission (the "Commission") a Prospectus dated September 22, 2003 and a Prospectus Supplement dated September 22, 2003 (Registration No. 333-86478) in connection with the public offering of \$700,000,000 aggregate principal amount of 4% Notes due 2008 and \$800,000,000 aggregate principal amount of 5¼% Notes due 2013 (collectively, the "Notes"). The purpose of this Current Report on Form 8-K (the "Report") is to file with the Commission the Terms Agreement and certain other documents related to such offering.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits. The following documents are filed as part of this Report.

(c) Exhibits.

1 Terms Agreement dated as of September 22, 2003

4.1(a) Specimen of 4% Note due 2008

4.1(b) Terms of Notes Schedule



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INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
1	Terms Agreement dated as of September 22, 2003
4.1(a)	Specimen of 4% Note due 2008
4.1(b)	Terms of Notes Schedule

KRAFT FOODS INC.  
(the “Company”)

Debt Securities

**TERMS AGREEMENT**

September 22, 2003

To: The Representatives of the Underwriters identified herein

Dear Sirs:

The undersigned agrees to sell to the several Underwriters named in Schedule A hereto for their respective accounts, on and subject to the terms and conditions of the Underwriting Agreement dated September 1, 2001 and filed as an exhibit to the Company’s registration statement on Form S-3 (No. 333-86478) relating to debt securities and warrants to purchase debt securities (the “**Underwriting Agreement**”), the following securities (the “**Offered Securities**”) on the following terms:

**OFFERED SECURITIES**

**Title:**

4% Notes due 2008 (the “2008 Notes”).

5¼% Notes due 2013 (the “2013 Notes”).

**Principal Amount:**

In the case of the 2008 Notes, \$700,000,000.

In the case of the 2013 Notes, \$800,000,000.

**Interest:**

In the case of the 2008 Notes, 4% per annum, from September 25, 2003, payable semiannually in arrears on April 1 and October 1, commencing April 1, 2004, to holders of record on the preceding March 15 or September 15, as the case may be.

In the case of the 2013 Notes, 5¼% per annum, from September 25, 2003, payable semiannually in arrears on April 1 and October 1, commencing April 1, 2004, to holders of record on the preceding March 15 or September 15, as the case may be.

**Maturity:**

In the case of the 2008 Notes, October 1, 2008.

In the case of the 2013 Notes, October 1, 2013.

**Currency of Denomination:**

United States Dollars (\$).

**Currency of Payment:**

United States Dollars (\$).

**Form and Denomination:**

Book-entry form only represented by one or more global securities deposited with The Depository Trust Company or its designated custodian, in denominations of \$1,000 and \$1,000 integral multiples thereof.

**Optional Redemption:**

Neither the 2008 Notes nor the 2013 Notes may be redeemed prior to maturity.

**Conversion Provisions:**

None.

**Sinking Fund:**

None.

**Listing:**

None.

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**Delayed Delivery Contracts:**

None.

**Payment of Additional Amounts:**

Not applicable.

**Purchase Price:**

In the case of the 2008 Notes, 98.972% of principal amount of the 2008 Notes, plus accrued interest, if any, from September 25, 2003.

In the case of the 2013 Notes, 98.642% of principal amount of the 2013 Notes, plus accrued interest, if any, from September 25, 2003.

**Expected Reoffering Price:**

In the case of the 2008 Notes, 99.572% of principal amount of the 2008 Notes, plus accrued interest, if any, from September 25, 2003.

In the case of the 2013 Notes, 99.292% of principal amount of the 2013 Notes, plus accrued interest, if any, from September 25, 2003.

**Additional Agreements of the Company:**

Not applicable.

**Additional Representations and Warranties of the Company:**

The Company hereby represents and warrants and agrees with each Underwriter that the documents incorporated by reference in the Registration Statement and the Prospectus on or before the Closing Date, when they were or are filed with the Commission, conformed or will conform, as the case may be, in all material respects to the requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder.

**Additional Closing Conditions:**

It shall be a condition to the obligations of the several Underwriters to purchase and pay for the Offered Securities that the opinion of counsel referred to in Section 5(d) of the Underwriting Agreement shall include an opinion substantially to the effect of the immediately preceding paragraph.

**OTHER MATTERS**

**Closing:**

9:00 A.M. on September 25, 2003, at the offices of Hunton & Williams LLP, 200 Park Avenue, New York, New York 10166, in Federal (same day) funds.

**Settlement and Trading:**

Book-Entry Only via DTC.

**Names and Addresses of the Representatives:**

Credit Suisse First Boston LLC  
11 Madison Avenue  
New York, New York 10010  
Attn: U.S. Debt Capital Markets

Deutsche Bank Securities Inc.  
60 Wall Street  
New York, New York 10005  
Attn: Debt Capital Markets

**Names and Addresses of the Lead Underwriters:**

Credit Suisse First Boston LLC  
11 Madison Avenue  
New York, New York 10010  
Attn: U.S. Debt Capital Markets

Deutsche Bank Securities Inc.  
60 Wall Street  
New York, New York 10005  
Attn: Debt Capital Markets



Each Underwriter hereby severally represents and agrees that it has not offered, sold or delivered and it will not offer, sell or deliver, directly or indirectly, any of the 2008 Notes or 2013 Notes or distribute the Prospectus, or any other offering material relating to the 2008 Notes or 2013 Notes, in or from any jurisdiction, other than offers, sales, deliveries and distributions made within the United States under circumstances that will result in compliance with the applicable United States laws and regulations and that will not impose any obligation on the Company except as set forth in the Underwriting Agreement and herein.

The respective principal amounts of the Offered Securities to be severally purchased by each of the Underwriters are set forth opposite their names in Schedule A hereto.

The provisions of the Underwriting Agreement are incorporated herein by reference, except that (a) Section 4(h) thereof is subject to the letter agreement entered into on the date hereof between the Company and the Representatives and (b) Section 5(c)(iii) thereof is hereby amended and restated in its entirety with respect to the Offered Securities as follows:

“(iii) any material suspension or material limitation of trading in securities generally on the New York Stock Exchange, or any material disruption in commercial banking or securities settlement or clearance services, or any setting of minimum prices for trading any securities of the Company on the New York Stock Exchange, or any suspension of trading of any securities of the Company on the New York Stock Exchange;”.

The Offered Securities will be made available for checking at the office of Hunton & Williams LLP, 200 Park Avenue, New York, New York 10166, at least 24 hours prior to the Closing Date.

For purposes of Section 6 of the Underwriting Agreement, the only information furnished to the Company by the Underwriters for use in the Prospectus consists of the following information in the Prospectus: the concession and reallowance figures appearing in the third paragraph under the caption “Underwriting” in the prospectus supplement and the information contained in the fifth and sixth paragraphs under the caption “Underwriting” in the prospectus supplement.



**SCHEDULE A**

	<b>Principal Amount of 4% Notes due 2008</b>	<b>Principal Amount of 5¼% Notes due 2013</b>
<b><u>Underwriter</u></b>		
Credit Suisse First Boston LLC	\$ 211,750,000	\$ 242,000,000
Deutsche Bank Securities Inc.	211,750,000	242,000,000
SG Cowen Securities Corporation	84,000,000	96,000,000
ABN AMRO Incorporated	36,400,000	41,600,000
BNP Paribas Securities Corp.	36,400,000	41,600,000
Dresdner Kleinwort Wassertein Securities LLC	36,400,000	41,600,000
HSBC Securities (USA) Inc.	36,400,000	41,600,000
UBS Securities LLC	36,400,000	41,600,000
Blaylock & Partners, L.P.	3,500,000	4,000,000
Doley Securities, Inc.	3,500,000	4,000,000
The Williams Capital Group, L.P.	3,500,000	4,000,000
<b>Total</b>	<b>\$ 700,000,000</b>	<b>\$ 800,000,000</b>

## (SPECIMEN)

REGISTERED  
No. 1

KRAFT FOODS INC.  
4% NOTE DUE 2008  
representing  
\$400,000,000

CUSIP No. 50075N AK 0

THIS NOTE IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN CERTIFICATED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TRUST COMPANY (THE "DEPOSITARY") TO A NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

KRAFT FOODS INC., a Virginia corporation (hereinafter called the "Company," which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co. or registered assigns, the principal sum of \$400,000,000 on October 1, 2008, and to pay interest thereon from September 25, 2003 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually in arrears on April 1 and October 1 in each year, commencing April 1, 2004, at the rate of 4% per annum until the principal hereof is paid or made available for payment.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be March 15 or September 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the

Holder on such Regular Record Date and may be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee for the Notes, notice whereof shall be given to Holders of Notes not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of and interest on this Note shall be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear on the Securities Register or by wire transfer to an account maintained by the payee at a bank located in the United States. All payments of principal and interest in respect of this Note shall be made by the Company in immediately available funds.

Additional provisions of this Note are contained on the reverse hereof, and such provisions shall have the same effect as though fully set forth in this place.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee for the Notes by manual signature, this Note shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.





KRAFT FOODS INC.

This Note is one of a duly authorized issue of debentures, notes or other evidences of indebtedness (hereinafter called the "Securities") of the Company of the series hereinafter specified, which series is initially issued in the aggregate principal amount of \$700,000,000, all such Securities issued and to be issued under an Indenture dated as of October 17, 2001 between the Company and The Chase Manhattan Bank (now known as JPMorgan Chase Bank), as Trustee (herein called the "Indenture"), to which Indenture and all other indentures supplemental thereto reference is hereby made for a statement of the rights and limitations of rights thereunder of the Holders of the Securities and of the rights, obligations, duties and immunities of the Trustee for each series of Securities and of the Company, and the terms upon which the Securities are and are to be authenticated and delivered. As provided in the Indenture, the Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest, if any, at different rates, may be subject to different redemption provisions, if any, may be subject to different sinking, purchase or analogous funds, if any, may be subject to different covenants and Events of Default and may otherwise vary as in the Indenture provided or permitted. This Note is one of a series of the Securities designated therein as 4% Notes due 2008 (the "Notes").

The Company may, without the consent of the Holders of the Notes, issue additional notes having the same ranking and the same interest rate, maturity and other terms as the Notes. Any additional notes having such similar terms, together with the Notes, shall constitute a single series of notes under the Indenture. No additional notes may be issued if an Event of Default has occurred with respect to the Notes.

The Indenture contains provisions for defeasance at any time of the entire principal of all the Securities of any series upon compliance by the Company with certain conditions set forth therein.

If an Event of Default (other than an Event of Default described in Section 501(4) or 501(5) of the Indenture) with respect to the Notes shall occur and be continuing, then either the Trustee or the Holders of not less than 25% in principal amount of the Notes of this series then Outstanding may declare the entire principal amount of the Notes of this series due and payable in the manner and with effect provided in the Indenture. If an Event of Default specified in Section 501(4) or 501(5) occurs with respect to the Company, all of the unpaid principal amount and accrued interest then outstanding shall *ipso facto* become and be immediately due and payable in the manner with the effect provided in the Indenture without any declaration or other act by the Trustee or any Holder.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities under the Indenture at any time by the Company with the consent of the Holders of more than 50% in aggregate principal amount of the Securities at the time Outstanding of each series issued under the Indenture to be affected thereby. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal



amount of the Securities of that series at the time Outstanding, on behalf of the Holders of all the Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences with respect to such series. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein and in the Indenture prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note shall be registered on the Security Register of the Company, upon surrender of this Note for registration of transfer at the office or agency of the Company to be maintained for that purpose in the Borough of Manhattan, The City of New York, or at any other office or agency of the Company maintained for that purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes, of authorized denominations and for the same aggregate principal amount, shall be issued to the designated transferee or transferees.

The Notes are issuable only in registered form without coupons in denominations of \$1,000 and any multiple of \$1,000. As provided in the Indenture and subject to certain limitations therein set forth, Notes are exchangeable for a like aggregate principal amount of Notes of a like tenor and of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company, the Trustee for the Notes and any agent of the Company or such Trustee may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Note be overdue, and neither the Company, such Trustee nor any such agent shall be affected by notice to the contrary.

Certain of the Company's obligations under the Indenture with respect to Notes may be terminated if the Company irrevocably deposits with the Trustee money or Government Obligations sufficient to pay and discharge the entire indebtedness on all Notes, as provided in the Indenture.

The Notes are not redeemable prior to maturity and are not subject to a sinking fund.

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**This Note shall for all purposes be governed by, and construed in accordance with, the laws of the State of New York.**

Certain terms used in this Note which are defined in the Indenture have the meanings set forth therein.

ASSIGNMENT FORM

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY NUMBER OR  
OTHER IDENTIFYING NUMBER OF ASSIGNEE

\_\_\_\_\_  
(Name and address of Assignee, including zip code, must be printed or typewritten)  
\_\_\_\_\_

the within Note, and all rights thereunder, hereby irrevocably, constituting and appointing  
\_\_\_\_\_

\_\_\_\_\_  
Attorney

to transfer the said Note on the books of Kraft Foods Inc. with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature of this assignment must correspond with the name as  
it appears upon the face of the within Note in every particular,  
without alteration or enlargement or any change whatever.

Kraft Foods Inc.  
Terms of Notes Schedule  
(material details)

The Company issued two (2) 4% Notes due 2008 with an aggregate principal amount of \$700,000,000 and two (2) 5¼% Notes due 2013 with an aggregate principal amount of \$800,000,000. Specimen of the Notes is filed as Exhibit 4.1(a) hereto.

The material details of the Notes are set forth below:

<u>Quantity of Notes</u>	<u>Tranche</u>		<u>Principal Amount</u>	<u>CUSIP</u>
2	4% Notes due 2008	1.	\$400,000,000	50075N AK 0
		2.	300,000,000	
	Total:		\$700,000,000	
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2	5¼% Notes due 2013	1.	\$400,000,000	50075N AL 8
		2.	400,000,000	
	Total:		\$800,000,000	