



April 20, 2012

New Kraft Foods-Costa Agreement Reflects Company's Ambition To Win In Retail On-Demand Coffee Across Europe

Tassimo Brings Home Costa's Favourite Beverages to UK Consumers

ZURICH, April 20, 2012 /PRNewswire/ -- Kraft Foods (NYSE: KFT) today announced a new agreement with Costa Coffee, the world's second largest coffee chain, to offer UK coffee-lovers Costa's most popular beverages at any time day or night with the *Tassimo* on-demand system. This agreement is another step forward towards Kraft's ambition to make *Tassimo* Europe's leading single-serve beverage system. Kraft Foods is already a market leader in coffee across Western Europe[1] and holds the No. 1 position in many markets around the world, including Germany, France, Austria, Poland, Sweden, Romania, Canada and South Korea.[2]

"We're stepping up our efforts to win in the retail on-demand coffee segment, and this new agreement with Costa is an example of that," said Hubert Weber, President, Coffee, Kraft Foods Europe. "*Tassimo* is the easiest, fastest and most affordable single-serve system in the value range, and it's the perfect way to bring the UK's favourite coffee shop coffee to homes and offices across Britain."

Tassimo brewers and Costa Cappuccino, Latte and Americano T discs will be available in Costa retail outlets in the south west of England beginning next month before going on sale across the UK this fall. The Costa range joins a wide variety of other leading brands available for the *Tassimo* system, including *Jacobs*, *Kenco* and *Gevalia* coffee, *Milka* and *Cadbury* hot chocolate and *Twinings* teas.

"The Costa-*Tassimo* range is an exciting new chapter for Costa," said Jim Slater, Managing Director, Costa Enterprises. "We have been overwhelmed with customers asking for their favourite coffee at home, and with the Costa-Kraft range, we can now deliver exactly that. Our aim is to give coffee lovers an unbeatable coffee experience wherever and whenever they want."

***Tassimo*: Well-Positioned to Win in the Retail On-Demand Segment**

As coffee drinkers around the world demand more sophisticated beverages where they live and work, single-serve coffee continues to grow in popularity. In fact, according to AC Nielsen, retail on-demand is the fastest-growing segment of the world's \$71 billion market for coffee.

"Because single-serve coffee is still in its infancy, the addition of Costa coffees to our portfolio has the potential to change the way millions drink coffee, while helping us meet our goal of making *Tassimo* Europe's leading single-serve brewing system," Weber said.

The *Tassimo* system is unique in that it reads each T disc to brew different drinks to perfection at the touch of a button. *Tassimo* brewers are manufactured by BSH Bosch and Siemens Home Appliances.

"We see a great potential in *Tassimo*, with further expansion opportunities in both existing and new markets," said Dr. Ralf Fuchs, Senior Vice President, Consumer Products, BSH. "The strength of the BOSCH brand combined with the strength of the *Tassimo* brand is a recipe for continued success."

About Costa Coffee

Costa was founded by Italian brothers Sergio and Bruno Costa in 1971. Just 1% of the world's production of coffee is good enough for us to choose from. Only the very best 100% RFA certified coffee available can go into creating the unique taste and aroma of our Mocha Italia blend.

Costa is the UK's favourite coffee shop[3] brand and has grown to become the sector leader within the UK and the second largest international coffee shop operator. At present, the company has more than 2,000 stores in 25 countries: Bahrain, Bulgaria, China, Cyprus, Czech Republic, Egypt, Greece, Hungary, India, Jordan, Kuwait, Latvia, Lebanon, Montenegro, Oman, Poland, Portugal, Qatar, Republic of Ireland, Russia, Saudi Arabia, Serbia, Syria, United Arab Emirates and the United Kingdom.

The Costa Foundation was set up in 2006 to give something back to the communities within the countries from which Costa sources its coffee beans. The Costa Foundation works with an independent charity partner, Charities Trust, and is operating under the auspices of Charities Trust's registered charity number 327489. Costa Ltd is part of the Whitbread Group PLC.

About BSH Bosch und Siemens Hausgerate GmbH

With 2011 sales of about 9.6 billion euros and a workforce numbering over 45,000, BSH Bosch und Siemens Hausgerate GmbH is currently the world's third largest company in the home appliance sector. BSH manufactures its products in 42 factories, and with about 70 companies, has a presence in 49 countries. For further details, please visit <http://www.bsh-group.com/>.

About Kraft Foods

Kraft Foods Inc. (NYSE: KFT) is a global snacks powerhouse with an unrivalled 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](https://www.facebook.com/kraftfoodscompany).

- make today delicious -

[1] Western Europe is defined as the "EU 10" countries.

[2] Source: Euromonitor

[3] Awarded "Best Branded Coffee Shop Chain in the UK and Ireland" by Allegra Strategies for two years running (November 2010 & November 2011).

SOURCE Kraft Foods

Kjersti Oppen (Media), +41 58 440 61 63, news@kraftfoods.com, or Christopher M. Jakubik (Investors), +1-847-646-5494, ir@kraftfoods.com