
**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): March 27, 2009

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))
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Item 7.01. Regulation FD Disclosure.

On March 27, 2009, Kraft Foods Inc. issued a press release announcing that Tim McLevish, Executive Vice President and Chief Financial Officer, would be meeting with analysts in New York City on Friday, March 27, 2009. The meeting is solely to discuss Kraft Foods' revised presentation of financial results from prior periods, coinciding with previously announced changes in the company's operating structure and other accounting changes, primarily a change from the use of the LIFO inventory method for some domestic inventories to the average cost method. Copies of the slides used in the discussion and a copy of the press release are attached as Exhibit 99.1 and Exhibit 99.2 and are incorporated by reference into this Item 7.01.

Item 9.01. Financial Statements and Exhibits.

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

<u>Exhibit Number</u>	<u>Description</u>
99.1	Kraft Foods Inc. Slide Presentation, dated March 27, 2009.
99.2	Kraft Foods Inc. Press Release, dated March 27, 2009.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KRAFT FOODS INC.

Date: March 27, 2009

/s/ Carol J. Ward
Name: Carol J. Ward
Title: Vice President and Corporate Secretary

Kraft Foods

Review of Changes to Financial Reporting

March 27, 2009



Forward-looking statements

This slide presentation contains forward-looking statements that there are two critical aspects of Kraft Foods' financial turnaround, including returning to sustainable growth and improving transparency, accountability and decision-making; the five ways we're improving transparency, accountability and decision-making, in particular, that we are reorganizing European operations for faster decision-making and for better trade-offs, revising cost assignment methodology and moving to LIFO to reduce accounting costs; our U.S. beverages key initiatives, including that we will invest in value-oriented marketing, increase top-line momentum of powdered beverage stick and premium coffee platforms and improve profitability of ready-to-drink and mainstream coffee; our U.S. cheese key initiatives, including that we will apply an adaptive pricing model for more consistent profit delivery, enhance product mix through incremental marketing behind advantaged categories and segments, and that we will leverage our scale to create retail advantage; our U.S. convenient meals key initiatives, including our focus on quality, marketing and innovation around sandwiches, that we will sustain top-line momentum of pizza, and grow our margins through "end to end" productivity opportunities; our Grocery initiatives, including focusing our resources on fewer, bigger core platforms, leverage in-store presence with better trade planning and execution tools, and streamline overhead and manufacturing through "end-to-end" initiatives; our U.S. snacks initiatives, including continuing to revitalize core cookie and cracker brands by further investments and building margin-accretive platforms that leverage core equities, grow share in nuts through quality upgrades and participation in growing segments, selectively invest in bars, and invest to optimize manufacturing infrastructure; our Canada and North American Foodservice key initiatives, including growing vol/mix, leveraging scale, optimizing our Canadian manufacturing network, improving product mix by focusing on Kraft brands, and building profit margins by leveraging growth in profitable customer segments; our Europe key initiatives, including focusing where we make money, investing behind the highest margin opportunities, pruning less profitable product lines, improving effectiveness at retail, eliminating inefficient trade spending, driving portfolio availability, reducing costs by streamlining overheads and manufacturing, and integrating our Kraft Foods and LU businesses; our Developing Markets key initiatives, including growing through locally relevant business models, continuing to focus investments behind priority categories, brands and markets and expanding in traditional trade channels; our 2009 goal to build profit margins and market share; and our long-term goals with regard to organic revenue growth, manufacturing, overhead leverage, cash flow leverage, tax rate, and long-term EPS growth. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those predicted 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, increased costs of sales, FDA or other regulatory actions or delays including widespread product recalls, unanticipated expenses such as litigation or legal settlement expenses, our indebtedness and ability to pay our indebtedness, the shift in our product mix to lower margin offerings, our failure to expand into emerging markets, risks from operating internationally and tax law changes. For additional information on these and other factors that could affect our forward-looking statements, see our filings with the SEC, including our most recently filed Annual Report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. We disclaim and do not undertake any obligation to update or revise any forward-looking statement in this slide presentation.

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Agenda for today

- **Rationale Behind Changes to Financial Reporting**
- Reportable Segments Review

There are two critical aspects of Kraft Foods' financial turnaround

- Return to sustainable growth
- Improve transparency, accountability and decision-making

Five ways we're improving transparency, accountability, decision-making

- **Reorganizing European operations**

- For the EU, transitioning core categories to fully integrated business units
 - Full ownership of operating results at category level
 - Faster decision-making, better trade-offs
- Combining Central Europe with Developing Markets segment
 - Grouping markets along economic, go-to-market lines
 - Continue to operate on a country-led model

Five ways we're improving transparency, accountability, decision-making

- Reorganizing European operations
- **Revising cost assignment methodology**
 - Shifting towards activity-based costing versus driver-based allocations
 - Operations IT and administrative costs moved to Cost of Sales from Marketing, Administration & Research Costs

Five ways we're improving transparency, accountability, decision-making

- Reorganizing European operations
- Revising cost assignment methodology
- **Moving from LIFO to Average Cost in U.S.**
 - Aligns with way we manage business
 - All of Kraft Foods now on Average Cost
 - Better reflects economics of the business
 - Improves comparability with competitors
 - Reduces accounting costs

Five ways we're improving transparency, accountability, decision-making

- Reorganizing European operations
- Revising cost assignment methodology
- Moving from LIFO to Average Cost in U.S.
- **Reclassifying excise taxes to Cost of Sales**
 - Provides better clarity to revenues and profit margins
 - Improves comparability of revenue between countries

Five ways we're improving transparency, accountability, decision-making

- Reorganizing European operations
- Revising cost assignment methodology
- Moving from LIFO to Average Cost in U.S.
- Reclassifying excise taxes to Cost of Sales
- **Adopting new accounting principles**
 - SFAS 160 (noncontrolling interests in subsidiaries)
 - EITF 03-6-1 (restricted, deferred stock recognition)
 - Provides consistent treatment with 2009 results

Five ways we're improving transparency, accountability, decision-making

- Reorganizing European operations
- Revising cost assignment methodology
- Moving from LIFO to Average Cost in U.S.
- Reclassifying excise taxes to Cost of Sales
- Adopting new accounting principles

Agenda for today

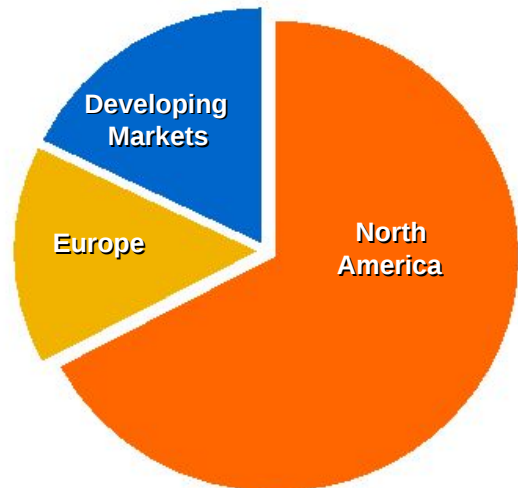
- Rationale Behind Changes to Financial Reporting
- **Reportable Segments Review**

Total Kraft: Overview

2008 Net Revenue



2008 Segment Operating Income – ex. Items*



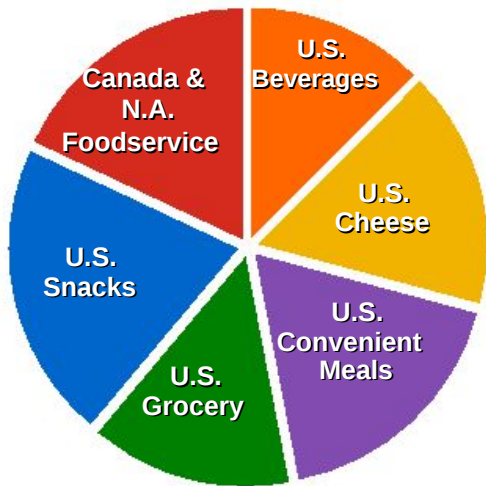
* Segment Operating Income – ex. Items excludes the impacts of our Restructuring Program, other asset impairments, one-time costs related to our Kraft Foods Europe Reorganization, and gains/losses on divestitures.

Our portfolio today

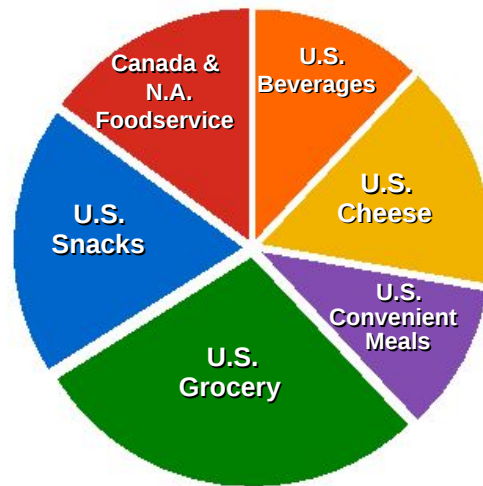
- More than 40% of revenue outside North America
- More than 50% from snacks and quick meals
- More than 80% from #1 share positions
- More than 50% from categories where market share is twice the size of nearest competitor

North America: Overview

2008 Net Revenue



2008 Segment Operating Income – ex. Items*

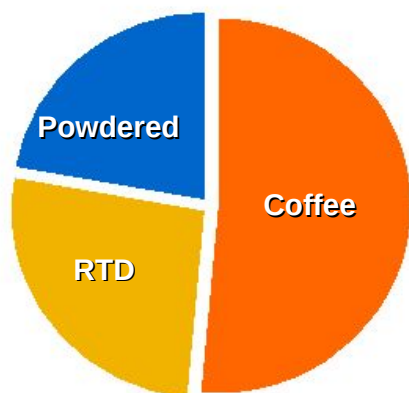


* Segment Operating Income – ex. Items excludes the impacts of our Restructuring Program, other asset impairments, and gains/losses on divestitures.

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U.S. Beverages: Overview

2008 Net Revenue



Primary Brands



Category	% Share*	Relative Share*	Competitor
Coffee	29%	0.8	Folgers (Smucker)
RTD Aseptics	59	3.2	Coke Foods
Powdered Bev.	52	2.6	Retailer Brands

* Source: 4-Outlet data; The Nielsen Company.

U.S. Beverages: Key Initiatives

- Invest in value-oriented marketing behind Kool-Aid, Country-Time powdered beverages
- Increase top-line momentum of powdered beverage stick and premium coffee platforms
- Improve profitability of ready-to-drink and mainstream coffee behind restaging of CapriSun and Maxwell House

U.S. Cheese: Overview

2008 Net Revenue



Category	% Share*	Relative Share*	Competitor
Processed Slices	54%	1.8	Retailer Brands
Grated / Hard Italian	44	1.4	Retailer Brands
Natural Cooking	22	0.5	Retailer Brands
Breakfast Spreads	66	2.1	Retailer Brands
Snacking	23	1.5	Retailer Brands

Primary Brands

Sandwich, Recipe & Grated:  

Natural:  

Cream Cheese:  

Cultured & Snacking:  


* Source: 4-Outlet data; The Nielsen Company.

U.S. Cheese: Key Initiatives

- Apply adaptive pricing model for more consistent profit delivery
- Enhance product mix through incremental marketing behind advantaged categories, segments
 - Revitalize Kraft Singles
 - Expand Philadelphia usage
- Leverage Kraft Foods scale to create retail advantage

U.S. Convenient Meals: Overview

2008 Net Revenue



Category	% Share*	Relative Share*	Competitor
Cold Cuts	36%	2.4	Retailer Brands
Hot Dogs	23	1.0	Sara Lee
Bacon	24	1.2	Retailer Brands
Lunch Combos	91	10.7	ConAgra
Pizza	39	1.7	Schwan

Primary Brands

Cold Cuts & Hot Dogs:



Bacon, Boca & Pickles:



Meal Combos:



Pizza:



* Source: 4-Outlet data; The Nielsen Company.

U.S. Convenient Meals: Key Initiatives

- Focus quality, marketing, innovation around sandwiches
 - Fresher, less processed ingredients
 - Expand Deli Fresh, Deli Creations platforms
- Sustain top-line momentum of pizza
 - Build “For One” single-serve platform
- Grow margins through “end to end” productivity opportunities

U.S. Grocery: Overview

2008 Net Revenue



Category	% Share*	Relative Share*	Competitor
Salad Dressings	26%	1.5	Hidden Valley (Clorox)
Spoonable Dressings	39	0.9	Best Foods (Unilever)
Dry Desserts	82	7.5	Retailer Brands
Refrigerated Desserts	59	3.1	Kozy Shack
Dinners	80	4.9	Retailer Brands

Primary Brands



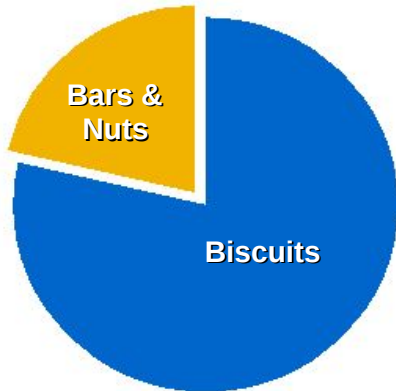
* Source: 4-Outlet data; The Nielsen Company.

U.S. Grocery: Key Initiatives

- Focus resources on fewer, bigger core platforms
 - Mac & Cheese, Dressings, Desserts
 - Improve volume through investments in quality, marketing and innovation
- Leverage in-store presence with better trade planning, execution tools
- Streamline overhead, manufacturing through “end-to-end” initiatives

U.S. Snacks: Overview

2008 Net Revenue



Primary Brands

Biscuits:



Bars & Nuts:



Category	% Share*	Relative Share*	Competitor
Cookies	45%	2.8	Kellogg
Crackers	47	1.6	Kellogg
Bars	7	0.3	General Mills
Nuts	24	0.7	Retailer Brands

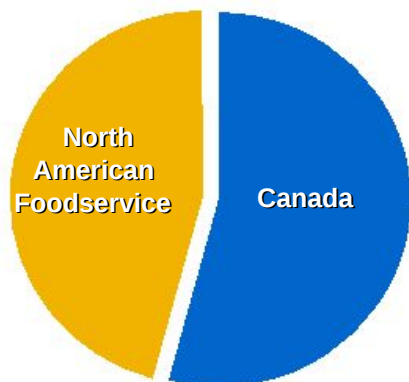
* Source: 4-Outlet data; The Nielsen Company.

U.S. Snacks: Key Initiatives

- Continue to revitalize core cookie and cracker brands
 - Further investments in innovation and A&C
 - Build margin-accretive platforms that leverage core equities
- Grow share in nuts through quality upgrades, participation in growing segments
- Selectively invest in bars
- Invest to optimize manufacturing infrastructure

Canada and North America Foodservice: Overview

2008 Net Revenue



Primary Brands

Canada:



Foodservice:



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Canada and North America Foodservice: Key Initiatives

- **Canada**
 - Grow vol/mix through marketing, innovation linked to U.S. category initiatives
 - Leverage scale to win with customers
 - Optimize Canadian manufacturing network
- **N.A. Foodservice**
 - Improve product mix by focusing on Kraft brands, innovation
 - Build profit margins by leveraging growth in profitable customer segments

Europe: Overview

2008 Net Revenue



Primary Brands



Category	% Share*	Relative Share	Competitor
Biscuits	22.2	0.9	Private Label
Chocolate	12.7	0.7	Ferrero
Coffee	21.8	1.0	Private Label
Cream Cheese	40.0	1.7	Private Label
Process Cheese	38.3	2.3	Private Label

* Source: The Nielsen Company, value shares

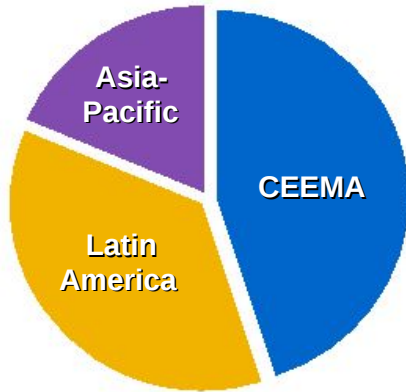
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Europe: Key Initiatives

- Focus where we make money
 - Invest behind the highest margin opportunities
 - Prune less profitable product lines
- Improve effectiveness at retail
 - Eliminate inefficient trade spending
 - Win in-store
 - Drive portfolio availability
- Reduce cost
 - Streamline overheads, manufacturing
 - Integrate Kraft Foods and LU businesses

Developing Markets: Overview

2008 Net Revenue



Primary Brands



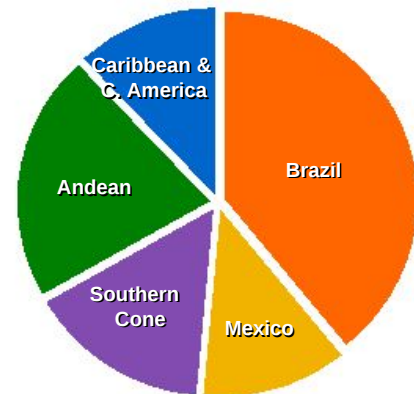
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Developing Markets: 2008 Revenue

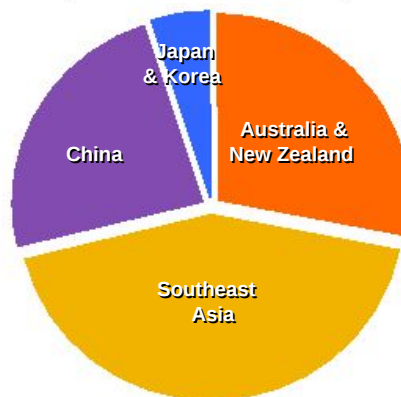
CEEMA



Latin America



Asia-Pacific




Developing Markets: Key Initiatives

- **Grow through locally relevant business models**
 - Competitive cost structures
 - Appropriate product formulations and price points
 - Grassroots marketing and sales
- **Continue to focus investments behind priority categories, brands, markets**
 - Further expansion in traditional trade channels
- **Integration of Kraft Foods and LU businesses**

Summary

- Making steady progress toward sustainable growth
 - 2007: Rejuvenated top-line growth
 - 2008: Grew both top and bottom lines
 - 2009: Build profit margins and market share



Organic Revenue Growth	4%+
Manufacturing, Overhead Leverage	2-3pp
Cash Flow Leverage & Tax Rate	1-2pp
Long-Term EPS Growth	7%-9%

- Improving our transparency, accountability and decision-making

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*Make today **delicious***

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KRAFT FOODS MEETS WITH ANALYSTS TODAY

NORTHFIELD, Ill. – March 27, 2009 – Kraft Foods Inc. (NYSE: KFT) announced that Tim McLevish, Executive Vice President and CFO, will meet today with analysts in New York City. The meeting is solely to discuss Kraft Foods' revised presentation of financial results from prior periods, coinciding with previously announced changes in the company's operating structure and other accounting changes, primarily a change from the use of the LIFO inventory method for some domestic inventories to the average cost method.

On March 26, 2009, Kraft Foods filed a Form 8-K with the U.S. Securities and Exchange Commission (SEC) with financial schedules for 2008, 2007 and 2006 reflecting these changes. As disclosed in its Annual Report on Form 10-K for the year ended Dec. 31, 2008, which was filed with the SEC on Feb. 27, 2009, Kraft Foods announced changes in its operating structure, effective January 2009.

Today, Kraft Foods also filed a Form 8-K with the SEC with the slides used in the discussion with analysts. These slides are available at <http://www.kraftfoodscompany.com> and <http://idea.sec.gov>.

Kraft Foods makes today delicious in 150 countries around the globe. Our 100,000 Kraft Foodies 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 inspire millions of delicious moments every day. Kraft Foods is the world's second largest food company with annual revenues of \$42 billion. The company is a member of the Dow Jones Industrial Average, Standard & Poor's 500, the Dow Jones Sustainability Index and Ethibel Sustainability Index.

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