
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 11, 2008

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.

As disclosed in our 2007 Annual Report on Form 10-K/A for the year ended December 31, 2007, filed with the SEC on February 26, 2008, we have announced the implementation of our new operating structure. Our new structure reflects our strategy to *Rewire the Organization for Growth*. Within our new structure, business units now have full P&L accountability and are staffed accordingly. This also ensures that we are putting our resources closer to where decisions are made that affect our consumers. Our corporate and shared service functions are streamlining their organizations and focusing them on core activities that can more efficiently support the goals of the business units. Our new operating structure has resulted in changes to the reportable business segments within our North America commercial unit, beginning in the first quarter of 2008. These changes are:

- U.S. Cheese has been organized as a standalone operating segment in order to create a more self-contained and integrated business unit in support of faster growth.
- Our macaroni & cheese category as well as other dinner products will move from our U.S. Convenient Meals segment to our U.S. Grocery segment to take advantage of operating synergies.
- Canada and North America Foodservice will be structured as a standalone reportable segment. This change will allow us to deliver on the unique requirements of the Canadian consumer and customer while maintaining strong North American linkages to innovation, new product development and new capabilities to drive our business. Furthermore, it will allow us to manage strategic customer decisions and continue to capture cross-border sales and marketing synergies within our Foodservice operations.

As a result of implementing our new operating structure, we will report the results of operations under this new structure beginning with the first quarter of 2008. Attached as Exhibit 99.1 to this Form 8-K, are unaudited financial schedules which provide information regarding net revenues and segment operating income for 2007, 2006, and 2005, reconciling the prior reporting segments structure with the new reporting segments structure.

The attached schedules include non-GAAP financial measures because our management uses this information to monitor and evaluate our operating results and trends on an on-going basis and to facilitate internal comparison to historical operating results. Our management uses non-GAAP financial information and measures internally for operating, budgeting and financial planning purposes.

Our management believes the non-GAAP information is useful for investors by offering them the ability to facilitate comparisons to historical operating results, better identify trends in our business, and better understand how management evaluates our business. These non-GAAP measures have limitations, however, because they do not include all items of income and expense that affect us. See the schedules attached as Exhibit 99.1 to this Current Report for corresponding reconciliations to GAAP financial measures for the years ended December 31, 2007, 2006 and 2005, and for the quarters in 2007 and 2006. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for each of our results which are prepared in accordance with GAAP. In addition, the non-GAAP measures we use may differ from non-GAAP measures used by other companies.

Item 8.01. Other Events.

The information described above under “Item 7.01. Regulation FD Disclosure” is hereby incorporated by reference into this Item 8.01.

Item 9.01. Financial Statements and Exhibits.

(d) The following exhibit is being filed with this Current Report on Form 8-K.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Financial Schedules.

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: April 11, 2008

/s/ Timothy R. McLevish

Name: Timothy R. McLevish

Title: Executive Vice President and Chief Financial Officer

KRAFT FOODS INC
and Subsidiaries
Segment Realignment - Net Revenues
Quarterly 2007
(\$ in millions) (Unaudited)

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Year</u>
2007 Net Revenues - As Reported					
North America Beverages	\$ 826	\$ 854	\$ 773	\$ 782	\$ 3,235
North America Cheese & Foodservice	1,468	1,540	1,537	1,837	6,382
North America Convenient Meals	1,246	1,274	1,311	1,266	5,097
North America Grocery	623	776	602	698	2,699
North America Snacks & Cereals	1,539	1,618	1,655	1,714	6,526
European Union	1,750	1,841	1,855	2,508	7,954
Developing Markets	<u>1,134</u>	<u>1,302</u>	<u>1,321</u>	<u>1,591</u>	<u>5,348</u>
2007 Net Revenues - As Reported	<u>\$8,586</u>	<u>\$9,205</u>	<u>\$9,054</u>	<u>\$10,396</u>	<u>\$37,241</u>
<i>Segment Realignment</i>					
<i>North America Beverages (to Canada & N.A. Foodservice)</i>	(49)	(66)	(61)	(69)	(245)
<i>North America Cheese & Foodservice (to Canada & N.A. Foodservice)</i>	(588)	(656)	(678)	(715)	(2,637)
<i>North America Convenient Meals (to Canada & N.A. Foodservice; to U.S. Grocery)</i>	(286)	(262)	(316)	(328)	(1,192)
<i>North America Grocery (from N.A. Convenient Meals; to Canada & N.A. Foodservice)</i>	158	97	155	168	578
<i>North America Snacks & Cereals (to Canada & N.A. Foodservice)</i>	(143)	(154)	(180)	(195)	(672)
<i>Canada & N.A. Foodservice (from N.A. Segments)</i>	908	1,041	1,080	1,139	4,168
2007 Net Revenues - As Restated					
U.S. Beverages	\$ 777	\$ 788	\$ 712	\$ 713	\$ 2,990
U.S. Cheese	880	884	859	1,122	3,745
U.S. Convenient Meals	960	1,012	995	938	3,905
U.S. Grocery	781	873	757	866	3,277
U.S. Snacks & Cereals	1,396	1,464	1,475	1,519	5,854
Canada & N.A. Foodservice	908	1,041	1,080	1,139	4,168
European Union	1,750	1,841	1,855	2,508	7,954
Developing Markets	<u>1,134</u>	<u>1,302</u>	<u>1,321</u>	<u>1,591</u>	<u>5,348</u>
2007 Net Revenues - As Restated	<u>\$8,586</u>	<u>\$9,205</u>	<u>\$9,054</u>	<u>\$10,396</u>	<u>\$37,241</u>

KRAFT FOODS INC
and Subsidiaries
Segment Realignment - Operating Income
Quarterly 2007
(\$ in millions) (Unaudited)

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Year</u>
2007 Operating Income - As Reported					
Segment Operating Income:					
North America Beverages	\$ 139	\$ 134	\$ (4)	\$ 68	\$ 337
North America Cheese & Foodservice	193	149	159	120	621
North America Convenient Meals	183	158	185	169	695
North America Grocery	200	267	184	166	817
North America Snacks & Cereals	248	266	240	264	1,018
European Union	118	125	129	199	571
Developing Markets	93	136	137	125	491
General Corporate Expenses	(50)	(43)	(46)	(67)	(206)
Amortization of Intangibles	<u>(2)</u>	<u>(4)</u>	<u>(3)</u>	<u>(4)</u>	<u>(13)</u>
2007 Operating Income - As Reported	<u>\$1,122</u>	<u>\$1,188</u>	<u>\$981</u>	<u>\$1,040</u>	<u>\$4,331</u>
<i>Segment Realignment</i>					
<i>North America Beverages (to Canada & N.A. Foodservice)</i>	-	(4)	(4)	(7)	(15)
<i>North America Cheese & Foodservice (to Canada & N.A. Foodservice)</i>	(41)	(55)	(73)	(51)	(220)
<i>North America Convenient Meals (to Canada & N.A. Foodservice; to U.S. Grocery)</i>	(74)	(50)	(81)	(90)	(295)
<i>North America Grocery (from N.A. Convenient Meals; to Canada & N.A. Foodservice)</i>	47	8	39	99	193
<i>North America Snacks & Cereals (to Canada & N.A. Foodservice)</i>	(14)	(14)	(14)	(31)	(73)
<i>Canada & N.A. Foodservice (from N.A. Segments)</i>	82	115	133	80	410
2007 Operating Income - As Restated					
Segment Operating Income:					
U.S. Beverages	\$ 139	\$ 130	\$ (8)	\$ 61	\$ 322
U.S. Cheese	152	94	86	69	401
U.S. Convenient Meals	109	108	104	79	400
U.S. Grocery	247	275	223	265	1,010
U.S. Snacks & Cereals	234	252	226	233	945
Canada & N.A. Foodservice	82	115	133	80	410
European Union	118	125	129	199	571
Developing Markets	93	136	137	125	491
General Corporate Expenses	(50)	(43)	(46)	(67)	(206)
Amortization of Intangibles	<u>(2)</u>	<u>(4)</u>	<u>(3)</u>	<u>(4)</u>	<u>(13)</u>
2007 Operating Income - As Restated	<u>\$1,122</u>	<u>\$1,188</u>	<u>\$981</u>	<u>\$1,040</u>	<u>\$4,331</u>

KRAFT FOODS INC
and Subsidiaries
Segment Realignment - Net Revenues
Full Year 2005 and Quarterly 2006
(\$ in millions) (Unaudited)

	2005 Year	2006				Year
		Q1	Q2	Q3	Q4	
Net Revenues - As Reported						
North America Beverages	\$ 3,056	\$ 795	\$ 819	\$ 731	\$ 743	\$ 3,088
North America Cheese & Foodservice	6,244	1,469	1,495	1,446	1,668	6,078
North America Convenient Meals	4,719	1,214	1,230	1,232	1,187	4,863
North America Grocery	3,024	632	790	597	712	2,731
North America Snacks & Cereals	6,250	1,533	1,611	1,585	1,629	6,358
European Union	6,714	1,467	1,539	1,544	2,122	6,672
Developing Markets	4,106	1,013	1,135	1,108	1,310	4,566
Net Revenues - As Reported	\$ 34,113	\$ 8,123	\$ 8,619	\$ 8,243	\$ 9,371	\$ 34,356
<i>Segment Realignment</i>						
<i>North America Beverages (to Canada & N.A. Foodservice)</i>	(204)	(40)	(57)	(52)	(53)	(202)
<i>North America Cheese & Foodservice (to Canada & N.A. Foodservice)</i>	(2,587)	(606)	(639)	(625)	(664)	(2,534)
<i>North America Convenient Meals (to Canada & N.A. Foodservice; to U.S. Grocery)</i>	(1,192)	(280)	(278)	(300)	(308)	(1,166)
<i>North America Grocery (from N.A. Convenient Meals; to Canada & N.A. Foodservice)</i>	328	128	106	127	133	494
<i>North America Snacks & Cereals (to Canada & N.A. Foodservice)</i>	(482)	(126)	(140)	(138)	(144)	(548)
<i>Canada & N.A. Foodservice (from N.A. Segments)</i>	4,137	924	1,008	988	1,036	3,956
Net Revenues - As Restated						
U.S. Beverages	\$ 2,852	\$ 755	\$ 762	\$ 679	\$ 690	\$ 2,886
U.S. Cheese	3,657	863	856	821	1,004	3,544
U.S. Convenient Meals	3,527	934	952	932	879	3,697
U.S. Grocery	3,352	760	896	724	845	3,225
U.S. Snacks & Cereals	5,768	1,407	1,471	1,447	1,485	5,810
Canada & N.A. Foodservice	4,137	924	1,008	988	1,036	3,956
European Union	6,714	1,467	1,539	1,544	2,122	6,672
Developing Markets	4,106	1,013	1,135	1,108	1,310	4,566
Net Revenues - As Restated	\$ 34,113	\$ 8,123	\$ 8,619	\$ 8,243	\$ 9,371	\$ 34,356

KRAFT FOODS INC
and Subsidiaries
Segment Realignment - Operating Income
Full Year 2005 and Quarterly 2006
(\$ in millions) (Unaudited)

	2005	2006				Year
	Year	Q1	Q2	Q3	Q4	
Operating Income - As Reported						
Segment Operating Income:						
North America Beverages	\$ 463	\$ 147	\$ 115	\$ 83	\$(140)	\$ 205
North America Cheese & Foodservice	921	203	179	233	271	886
North America Convenient Meals	793	200	185	183	346	914
North America Grocery	724	204	294	176	245	919
North America Snacks & Cereals	930	142	269	255	163	829
European Union	722	129	86	347	(14)	548
Developing Markets	400	35	98	122	161	416
General Corporate Expenses	(194)	(41)	(47)	(43)	(58)	(189)
Amortization of Intangibles	(10)	(2)	(3)	(1)	(1)	(7)
Operating Income - As Reported	\$4,749	\$1,017	\$1,176	\$1,355	\$ 973	\$4,521
<i>Segment Realignment</i>						
<i>North America Beverages (to Canada & N.A. Foodservice)</i>	(5)	-	1	1	(3)	(1)
<i>North America Cheese & Foodservice (to Canada & N.A. Foodservice)</i>	(236)	(49)	(59)	(62)	(56)	(226)
<i>North America Convenient Meals (to Canada & N.A. Foodservice; to U.S. Grocery)</i>	(319)	(63)	(65)	(79)	(295)	(502)
<i>North America Grocery (from N.A. Convenient Meals; to Canada & N.A. Foodservice)</i>	295	36	18	38	243	335
<i>North America Snacks & Cereals (to Canada & N.A. Foodservice)</i>	(72)	(11)	(18)	(18)	(8)	(55)
<i>Canada & N.A. Foodservice (from N.A. Segments)</i>	337	87	123	120	119	449
Operating Income - As Restated						
Segment Operating Income:						
U.S. Beverages	\$ 458	\$ 147	\$ 116	\$ 84	\$(143)	\$ 204
U.S. Cheese	685	154	120	171	215	660
U.S. Convenient Meals	474	137	120	104	51	412
U.S. Grocery	1,019	240	312	214	488	1,254
U.S. Snacks & Cereals	858	131	251	237	155	774
Canada & N.A. Foodservice	337	87	123	120	119	449
European Union	722	129	86	347	(14)	548
Developing Markets	400	35	98	122	161	416
General Corporate Expenses	(194)	(41)	(47)	(43)	(58)	(189)
Amortization of Intangibles	(10)	(2)	(3)	(1)	(1)	(7)
Operating Income - As Restated	\$4,749	\$1,017	\$1,176	\$1,355	\$ 973	\$4,521

Kraft Foods Inc.
Reconciliation of GAAP and Non-GAAP Information
Net Revenues

For the Twelve Months Ended December 31,
(\$ in millions) (Unaudited)

	As Restated (GAAP)	Impact of Divestitures	Impact of Acquisitions	Impact of Currency	Organic (Non-GAAP)	% Change		Organic Growth Drivers		
						As Restated (GAAP)	Organic (Non-GAAP)	Volume	Mix	Price
2007 Reconciliation										
U.S. Beverages	\$ 2,990	\$ (72)	\$ –	\$ –	\$ 2,918	3.6%	5.2%	1.8pp	2.5pp	0.9pp
U.S. Cheese	3,745	–	–	–	3,745	5.7%	5.7%	0.2	0.8	4.7
U.S. Convenient Meals	3,905	–	–	–	3,905	5.6%	5.6%	3.4	1.6	0.6
U.S. Grocery	3,277	–	–	–	3,277	1.6%	3.5%	(0.6)	2.1	2.0
U.S. Snacks & Cereals	5,854	(9)	–	–	5,845	0.8%	2.9%	1.0	1.9	–
Canada & N.A. Foodservice	4,168	(15)	–	(117)	4,036	5.4%	3.9%	(0.2)	0.4	3.7
North America	\$ 23,939	\$ (96)	\$ –	\$ (117)	\$ 23,726	3.6%	4.3%	0.9	1.6	1.8
European Union	7,954	–	(337)	(703)	6,914	19.2%	3.6%	3.4	1.9	(1.7)
Developing Markets	5,348	–	(7)	(250)	5,091	17.1%	11.5%	4.0	2.4	5.1
Kraft Foods	\$ 37,241	\$ (96)	\$ (344)	\$ (1,070)	\$ 35,731	8.4%	5.1%	1.7pp	1.8pp	1.6pp
2006 Reconciliation										
U.S. Beverages	\$ 2,886	\$ (112)	\$ –	\$ –	\$ 2,774					
U.S. Cheese	3,544	–	–	–	3,544					
U.S. Convenient Meals	3,697	–	–	–	3,697					
U.S. Grocery	3,225	(59)	–	–	3,166					
U.S. Snacks & Cereals	5,810	(127)	–	–	5,683					
Canada & N.A. Foodservice	3,956	(71)	–	–	3,885					
North America	\$ 23,118	\$ (369)	\$ –	\$ –	\$ 22,749					
European Union	6,672	–	–	–	6,672					
Developing Markets	4,566	–	–	–	4,566					
Kraft Foods	\$ 34,356	\$ (369)	\$ –	\$ –	\$ 33,987					

Kraft Foods Inc.
Reconciliation of GAAP and Non-GAAP Information
Operating Income
For the Twelve Months Ended December 31,
(\$ in millions) (Unaudited)

	As Restated (GAAP)	Asset Impairment, Exit and Implementation Costs - Restructuring	Asset Impairments / Other Expenses - Non- Restructuring	(Gains) / Losses on Divestitures, net	Excluding Items (Non- GAAP)	% Change	
						As Restated (GAAP)	Excluding Items (Non- GAAP)
2007 Reconciliation							
U.S. Beverages	\$ 322	\$ 20	\$ 120	\$ 5	\$ 467	57.8%	16.8%
U.S. Cheese	401	78	–	–	479	(39.2%)	(36.3%)
U.S. Convenient Meals	400	37	–	–	437	(2.9%)	(12.9%)
U.S. Grocery	1,010	29	–	–	1,039	(19.5%)	(3.6%)
U.S. Snacks & Cereals	945	33	–	(12)	966	22.1%	(3.6%)
Canada & N.A. Foodservice	410	60	–	–	470	(8.7%)	(2.7%)
North America	\$ 3,488	\$ 257	\$ 120	\$ (7)	\$ 3,858	(7.1%)	(8.5%)
European Union	571	152	10	–	733	4.2%	1.8%
Developing Markets	491	50	–	(8)	533	18.0%	4.7%
Corporate Items	(219)	–	–	–	(219)	(11.7%)	(11.7%)
Kraft Foods Operating Income	\$ 4,331	\$ 459	\$ 130	\$ (15)	\$ 4,905	(4.2%)	(6.6%)
2006 Reconciliation							
U.S. Beverages	\$ 204	\$ 26	\$ 75	\$ 95	\$ 400		
U.S. Cheese	660	92	–	–	752		
U.S. Convenient Meals	412	90	–	–	502		
U.S. Grocery	1,254	50	–	(226)	1,078		
U.S. Snacks & Cereals	774	55	168	5	1,002		
Canada & N.A. Foodservice	449	25	–	9	483		
North America	\$ 3,753	\$ 338	\$ 243	\$ (117)	\$ 4,217		
European Union	548	253	170	(251)	720		
Developing Markets	416	82	11	–	509		
Corporate Items	(196)	–	–	–	(196)		
Kraft Foods Operating Income	\$ 4,521	\$ 673	\$ 424	\$ (368)	\$ 5,250		

Kraft Foods Inc.
Reconciliation of GAAP and Non-GAAP Information
Net Revenues

For the Three Months Ended March 31,
(\$ in millions) (Unaudited)

	As Restated (GAAP)	Impact of Divestitures	Impact of Acquisitions	Impact of Currency	Organic (Non- GAAP)	% Change		Organic Growth Drivers		
						As Restated (GAAP)	Organic (Non- GAAP)	Volume	Mix	Price
2007 Reconciliation										
U.S. Beverages	\$ 777	\$ (23)	\$ –	\$ –	\$ 754	2.9%	4.1%	2.7pp	0.8pp	0.6pp
U.S. Cheese	880	–	–	–	880	2.0%	2.0%	2.3	–	(0.3)
U.S. Convenient Meals	960	–	–	–	960	2.8%	2.8%	2.3	0.8	(0.3)
U.S. Grocery	781	–	–	–	781	2.8%	5.5%	0.6	2.9	2.0
U.S. Snacks & Cereals	1,396	(9)	–	–	1,387	(0.8%)	2.7%	1.6	2.0	(0.9)
Canada & N.A. Foodservice	908	(5)	–	3	906	(1.7%)	1.5%	(1.2)	1.1	1.6
North America	\$ 5,702	\$ (37)	\$ –	\$ 3	\$ 5,668	1.0%	3.0%	1.4	1.3	0.3
European Union	1,750	–	(97)	(144)	1,509	19.3%	2.9%	3.0	1.9	(2.0)
Developing Markets	1,134	–	–	(31)	1,103	11.9%	8.9%	1.7	3.6	3.6
Kraft Foods	\$ 8,586	\$ (37)	\$ (97)	\$ (172)	\$ 8,280	5.7%	3.7%	1.6pp	1.8pp	0.3pp
2006 Reconciliation										
U.S. Beverages	\$ 755	\$ (31)	\$ –	\$ –	\$ 724					
U.S. Cheese	863	–	–	–	863					
U.S. Convenient Meals	934	–	–	–	934					
U.S. Grocery	760	(20)	–	–	740					
U.S. Snacks & Cereals	1,407	(57)	–	–	1,350					
Canada & N.A. Foodservice	924	(31)	–	–	893					
North America	\$ 5,643	\$ (139)	\$ –	\$ –	\$ 5,504					
European Union	1,467	–	–	–	1,467					
Developing Markets	1,013	–	–	–	1,013					
Kraft Foods	\$ 8,123	\$ (139)	\$ –	\$ –	\$ 7,984					

Kraft Foods Inc.
Reconciliation of GAAP and Non-GAAP Information
Operating Income
For the Three Months Ended March 31,
(\$ in millions) (Unaudited)

	As Restated (GAAP)	Asset Impairment, Exit and Implementation Costs - Restructuring	Asset Impairments / Other Expenses - Non- Restructuring	(Gains) / Losses on Divestitures, net	Excluding Items (Non- GAAP)	% Change	
						As Restated (GAAP)	Excluding Items (Non- GAAP)
2007 Reconciliation							
U.S. Beverages	\$ 139	\$ 3	\$ -	\$ -	\$ 142	(5.4%)	(4.7%)
U.S. Cheese	152	12	-	-	164	(1.3%)	0.6%
U.S. Convenient Meals	109	11	-	-	120	(20.4%)	(13.0%)
U.S. Grocery	247	6	-	-	253	2.9%	(1.9%)
U.S. Snacks & Cereals	234	8	-	(12)	230	78.6%	(3.4%)
Canada & N.A. Foodservice	82	4	-	-	86	(5.7%)	(8.5%)
North America	\$ 963	\$ 44	\$ -	\$ (12)	\$ 995	7.5%	(4.3%)
European Union	118	37	-	-	155	(8.5%)	3.3%
Developing Markets	93	7	-	-	100	100.0+%	13.6%
Corporate Items	(52)	-	-	-	(52)	(20.9%)	(20.9%)
Kraft Foods Operating Income	\$ 1,122	\$ 88	\$ -	\$ (12)	\$ 1,198	10.3%	(3.0%)
2006 Reconciliation							
U.S. Beverages	\$ 147	\$ 2	\$ -	\$ -	\$ 149		
U.S. Cheese	154	9	-	-	163		
U.S. Convenient Meals	137	1	-	-	138		
U.S. Grocery	240	18	-	-	258		
U.S. Snacks & Cereals	131	6	99	2	238		
Canada & N.A. Foodservice	87	6	-	1	94		
North America	\$ 896	\$ 42	\$ 99	\$ 3	\$ 1,040		
European Union	129	21	-	-	150		
Developing Markets	35	42	11	-	88		
Corporate Items	(43)	-	-	-	(43)		
Kraft Foods Operating Income	\$ 1,017	\$ 105	\$ 110	\$ 3	\$ 1,235		

Kraft Foods Inc.
Reconciliation of GAAP and Non-GAAP Information
Net Revenues
For the Three Months Ended June 30,
(\$ in millions) (Unaudited)

	As Restated (GAAP)	Impact of Divestitures	Impact of Acquisitions	Impact of Currency	Organic (Non- GAAP)	% Change		Organic Growth Drivers		
						As Restated (GAAP)	Organic (Non- GAAP)	Volume	Mix	Price
2007 Reconciliation										
U.S. Beverages	\$ 788	\$ (25)	\$ –	\$ –	\$ 763	3.4%	4.7%	(2.7)pp	6.9pp	0.5pp
U.S. Cheese	884	–	–	–	884	3.3%	3.3%	(1.7)	1.1	3.9
U.S. Convenient Meals	1,012	–	–	–	1,012	6.3%	6.3%	3.3	1.5	1.5
U.S. Grocery	873	–	–	–	873	(2.6%)	(0.9%)	(3.2)	1.4	0.9
U.S. Snacks & Cereals	1,464	–	–	–	1,464	(0.5%)	2.7%	(0.2)	2.7	0.2
Canada & N.A.										
Foodservice	1,041	(4)	–	–	1,037	3.3%	4.7%	(0.4)	1.4	3.7
North America	\$ 6,062	\$ (29)	\$ –	\$ –	\$6,033	2.0%	3.4%	(1.0)	2.7	1.7
European Union	1,841	–	(114)	(157)	1,570	19.6%	2.0%	1.8	1.6	(1.4)
Developing Markets	1,302	–	(4)	(33)	1,265	14.7%	11.5%	3.7	2.0	5.8
Kraft Foods	\$ 9,205	\$ (29)	\$ (118)	\$ (190)	\$8,868	6.8%	4.2%	0.0pp	2.5pp	1.7pp
2006 Reconciliation										
U.S. Beverages	\$ 762	\$ (33)	\$ –	\$ –	\$ 729					
U.S. Cheese	856	–	–	–	856					
U.S. Convenient Meals	952	–	–	–	952					
U.S. Grocery	896	(15)	–	–	881					
U.S. Snacks & Cereals	1,471	(46)	–	–	1,425					
Canada & N.A.										
Foodservice	1,008	(18)	–	–	990					
North America	\$ 5,945	\$ (112)	\$ –	\$ –	\$5,833					
European Union	1,539	–	–	–	1,539					
Developing Markets	1,135	–	–	–	1,135					
Kraft Foods	\$ 8,619	\$ (112)	\$ –	\$ –	\$8,507					

Kraft Foods Inc.
Reconciliation of GAAP and Non-GAAP Information
Operating Income
For the Three Months Ended June 30,
(\$ in millions) (Unaudited)

	As Restated (GAAP)	Asset Impairment, Exit and Implementation Costs - Restructuring	Asset Impairments / Other Expenses - Non- Restructuring	(Gains) / Losses on Divestitures, net	Excluding Items (Non- GAAP)	% Change	
						As Restated (GAAP)	Excluding Items (Non- GAAP)
2007 Reconciliation							
U.S. Beverages	\$ 130	\$ 8	\$ -	\$ -	\$ 138	12.1%	10.4%
U.S. Cheese	94	40	-	-	134	(21.7%)	(22.1%)
U.S. Convenient Meals	108	4	-	-	112	(10.0%)	(27.7%)
U.S. Grocery	275	15	-	-	290	(11.9%)	(10.5%)
U.S. Snacks & Cereals	252	8	-	-	260	0.4%	(1.5%)
Canada & N.A. Foodservice	115	5	-	-	120	(6.5%)	(14.3%)
North America	\$ 974	\$ 80	\$ -	\$ -	\$ 1,054	(6.5%)	(10.7%)
European Union	125	62	-	-	187	45.3%	8.1%
Developing Markets	136	15	-	(8)	143	38.8%	15.3%
Corporate Items	(47)	-	-	-	(47)	6.0%	6.0%
Kraft Foods Operating Income	\$ 1,188	\$ 157	\$ -	\$ (8)	\$ 1,337	1.0%	(6.3%)
2006 Reconciliation							
U.S. Beverages	\$ 116	\$ 9	\$ -	\$ -	\$ 125		
U.S. Cheese	120	52	-	-	172		
U.S. Convenient Meals	120	35	-	-	155		
U.S. Grocery	312	12	-	-	324		
U.S. Snacks & Cereals	251	13	-	-	264		
Canada & N.A. Foodservice	123	9	-	8	140		
North America	\$ 1,042	\$ 130	\$ -	\$ 8	\$ 1,180		
European Union	86	87	-	-	173		
Developing Markets	98	26	-	-	124		
Corporate Items	(50)	-	-	-	(50)		
Kraft Foods Operating Income	\$ 1,176	\$ 243	\$ -	\$ 8	\$ 1,427		

Kraft Foods Inc.
Reconciliation of GAAP and Non-GAAP Information
Net Revenues
For the Three Months Ended September 30,
(\$ in millions) (Unaudited)

	As Restated (GAAP)	Impact of Divestitures	Impact of Acquisitions	Impact of Currency	Organic (Non- GAAP)	% Change		Organic Growth Drivers		
						As Restated (GAAP)	Organic (Non- GAAP)	Volume	Mix	Price
2007 Reconciliation										
U.S. Beverages	\$ 712	\$ (20)	\$ –	\$ –	\$ 692	4.9%	6.0%	4.9pp	(1.2)pp	2.3pp
U.S. Cheese	859	–	–	–	859	4.6%	4.6%	(3.0)	1.4	6.2
U.S. Convenient Meals	995	–	–	–	995	6.8%	6.8%	3.0	2.8	1.0
U.S. Grocery	757	–	–	–	757	4.6%	7.1%	0.9	2.9	3.3
U.S. Snacks & Cereals	1,475	–	–	–	1,475	1.9%	2.7%	(0.5)	2.5	0.7
Canada & N.A. Foodservice	1,080	(4)	–	(35)	1,041	9.3%	6.8%	0.8	0.5	5.5
North America	\$ 5,878	\$ (24)	\$ –	\$ (35)	\$ 5,819	5.1%	5.3%	1.3	1.0	3.0
European Union	1,855	–	(126)	(109)	1,620	20.1%	4.9%	4.7	2.8	(2.6)
Developing Markets	1,321	–	(3)	(68)	1,250	19.2%	12.8%	7.3	(0.2)	5.7
Kraft Foods	\$ 9,054	\$ (24)	\$ (129)	\$ (212)	\$ 8,689	9.8%	6.3%	2.7pp	1.3pp	2.3pp
2006 Reconciliation										
U.S. Beverages	\$ 679	\$ (26)	\$ –	\$ –	\$ 653					
U.S. Cheese	821	–	–	–	821					
U.S. Convenient Meals	932	–	–	–	932					
U.S. Grocery	724	(17)	–	–	707					
U.S. Snacks & Cereals	1,447	(11)	–	–	1,436					
Canada & N.A. Foodservice	988	(13)	–	–	975					
North America	\$ 5,591	\$ (67)	\$ –	\$ –	\$ 5,524					
European Union	1,544	–	–	–	1,544					
Developing Markets	1,108	–	–	–	1,108					
Kraft Foods	\$ 8,243	\$ (67)	\$ –	\$ –	\$ 8,176					

Kraft Foods Inc.
Reconciliation of GAAP and Non-GAAP Information
Operating Income
For the Three Months Ended September 30,
(\$ in millions) (Unaudited)

	As Restated (GAAP)	Asset Impairment, Exit and Implementation Costs - - Restructuring	Asset Impairments / Other Expenses - Non- Restructuring	(Gains) / Losses on Divestitures, net	Excluding Items (Non- GAAP)	% Change	
						As Restated (GAAP)	Excluding Items (Non- GAAP)
2007 Reconciliation							
U.S. Beverages	\$ (8)	\$ 2	\$ 120	\$ -	\$ 114	(100.0+%)	26.7%
U.S. Cheese	86	15	-	-	101	(49.7%)	(46.3%)
U.S. Convenient Meals	104	13	-	-	117	-	(6.4%)
U.S. Grocery	223	3	-	-	226	4.2%	(0.9%)
U.S. Snacks & Cereals	226	10	-	-	236	(4.6%)	(8.5%)
Canada & N.A. Foodservice	133	1	-	-	134	10.8%	5.5%
North America	\$ 764	\$ 44	\$ 120	\$ -	\$ 928	(17.8%)	(8.7%)
European Union	129	24	-	-	153	(62.8%)	(4.4%)
Developing Markets	137	13	-	-	150	12.3%	22.0%
Corporate Items	(49)	-	-	-	(49)	(11.4%)	(11.4%)
Kraft Foods Operating Income	\$ 981	\$ 81	\$ 120	\$ -	\$ 1,182	(27.6%)	(5.8%)
2006 Reconciliation							
U.S. Beverages	\$ 84	\$ 6	\$ -	\$ -	\$ 90		
U.S. Cheese	171	17	-	-	188		
U.S. Convenient Meals	104	21	-	-	125		
U.S. Grocery	214	14	-	-	228		
U.S. Snacks & Cereals	237	18	-	3	258		
Canada & N.A. Foodservice	120	7	-	-	127		
North America	\$ 930	\$ 83	\$ -	\$ 3	\$ 1,016		
European Union	347	64	-	(251)	160		
Developing Markets	122	1	-	-	123		
Corporate Items	(44)	-	-	-	(44)		
Kraft Foods Operating Income	\$ 1,355	\$ 148	\$ -	\$ (248)	\$ 1,255		

Kraft Foods Inc.
Reconciliation of GAAP and Non-GAAP Information
Net Revenues
For the Three Months Ended December 31,
(\$ in millions) (Unaudited)

	As Restated (GAAP)	Impact of Divestitures	Impact of Acquisitions	Impact of Currency	Organic (Non- GAAP)	% Change		Organic Growth Drivers		
						As Restated (GAAP)	Organic (Non- GAAP)	Volume	Mix	Price
2007 Reconciliation										
U.S. Beverages	\$ 713	\$ (4)	\$ –	\$ –	\$ 709	3.3%	6.1%	3.4pp	2.6pp	0.1pp
U.S. Cheese	1,122	–	–	–	1,122	11.8%	11.8%	2.8	0.6	8.4
U.S. Convenient Meals	938	–	–	–	938	6.7%	6.7%	5.2	1.3	0.2
U.S. Grocery	866	–	–	–	866	2.5%	3.3%	0.2	1.2	1.9
U.S. Snacks & Cereals	1,519	–	–	–	1,519	2.3%	3.2%	3.0	0.1	0.1
Canada & N.A. Foodservice	1,139	(2)	–	(85)	1,052	9.9%	2.4%	–	(1.4)	3.8
North America	\$ 6,297	\$ (6)	\$ –	\$ (85)	\$6,206	6.0%	5.4%	2.3	0.7	2.4
European Union	2,508	–	–	(293)	2,215	18.2%	4.4%	3.8	1.6	(1.0)
Developing Markets	1,591	–	–	(118)	1,473	21.5%	12.4%	3.1	4.3	5.0
Kraft Foods	\$ 10,396	\$ (6)	\$ –	\$ (496)	\$9,894	10.9%	6.2%	2.7pp	1.5pp	2.0pp
2006 Reconciliation										
U.S. Beverages	\$ 690	\$ (22)	\$ –	\$ –	\$ 668					
U.S. Cheese	1,004	–	–	–	1,004					
U.S. Convenient Meals	879	–	–	–	879					
U.S. Grocery	845	(7)	–	–	838					
U.S. Snacks & Cereals	1,485	(13)	–	–	1,472					
Canada & N.A. Foodservice	1,036	(9)	–	–	1,027					
North America	\$ 5,939	\$ (51)	\$ –	\$ –	\$5,888					
European Union	2,122	–	–	–	2,122					
Developing Markets	1,310	–	–	–	1,310					
Kraft Foods	\$ 9,371	\$ (51)	\$ –	\$ –	\$9,320					

Kraft Foods Inc.
Reconciliation of GAAP and Non-GAAP Information
Operating Income
For the Three Months Ended December 31,
(\$ in millions) (Unaudited)

	As Restated (GAAP)	Asset Impairment, Exit and Implementation Costs - Restructuring	Asset Impairments / Other Expenses - Non- Restructuring	(Gains) / Losses on Divestitures, net	Excluding Items (Non- GAAP)	% Change	
						As Restated (GAAP)	Excluding Items (Non- GAAP)
2007 Reconciliation							
U.S. Beverages	\$ 61	\$ 7	\$ -	\$ 5	\$ 73	100.0+%	100.0+%
U.S. Cheese	69	11	-	-	80	(67.9%)	(65.1%)
U.S. Convenient Meals	79	9	-	-	88	54.9%	4.8%
U.S. Grocery	265	5	-	-	270	(45.7%)	0.7%
U.S. Snacks & Cereals	233	7	-	-	240	50.3%	(0.8%)
Canada & N.A. Foodservice	80	50	-	-	130	(32.8%)	6.6%
North America	\$ 787	\$ 89	\$ -	\$ 5	\$ 881	(11.1%)	(10.2%)
European Union	199	29	10	-	238	100.0+%	0.4%
Developing Markets	125	15	-	-	140	(22.4%)	(19.5%)
Corporate Items	(71)	-	-	-	(71)	(20.3%)	(20.3%)
Kraft Foods Operating Income	\$ 1,040	\$ 133	\$ 10	\$ 5	\$ 1,188	6.9%	(10.9%)
2006 Reconciliation							
U.S. Beverages	\$ (143)	\$ 9	\$ 75	\$ 95	\$ 36		
U.S. Cheese	215	14	-	-	229		
U.S. Convenient Meals	51	33	-	-	84		
U.S. Grocery	488	6	-	(226)	268		
U.S. Snacks & Cereals	155	18	69	-	242		
Canada & N.A. Foodservice	119	3	-	-	122		
North America	\$ 885	\$ 83	\$ 144	\$ (131)	\$ 981		
European Union	(14)	81	170	-	237		
Developing Markets	161	13	-	-	174		
Corporate Items	(59)	-	-	-	(59)		
Kraft Foods Operating Income	\$ 973	\$ 177	\$ 314	\$ (131)	\$ 1,333		

Kraft Foods Inc.
Reconciliation of GAAP and Non-GAAP Information
Net Revenues
For the Twelve Months Ended December 31,
(\$ in millions) (Unaudited)

	As Restated (GAAP)	Impact of Divestitures	Impact of Acquisitions	Impact of Currency	Implementation Costs	Organic (Non- GAAP)	% Change		Organic Growth Drivers		
							As Restated (GAAP)	Organic (Non- GAAP)	Volume	Mix	Price
2006 Reconciliation											
U.S. Beverages	\$ 2,886	\$ (112)	\$ –	\$ –	\$ –	\$ 2,774	1.2%	2.4%	(2.4)pp	3.2pp	1.6pp
U.S. Cheese	3,544	–	–	–	–	3,544	(3.1%)	(2.5%)	(0.2)	0.6	(2.9)
U.S. Convenient Meals	3,697	–	–	–	–	3,697	4.8%	4.8%	2.7	2.0	0.1
U.S. Grocery	3,225	(59)	–	–	–	3,166	(3.8%)	(2.2%)	(3.3)	0.3	0.8
U.S. Snacks & Cereals	5,810	(127)	–	–	–	5,683	0.7%	2.9%	0.5	0.9	1.5
Canada & N.A. Foodservice	3,956	(71)	–	(153)	–	3,732	(4.4%)	(1.7%)	(6.9)	5.5	(0.3)
North America	\$ 23,118	\$ (369)	\$ –	\$ (153)	\$ –	\$ 22,596	(0.8%)	0.7%	(1.9)	2.4	0.2
European Union	6,672	–	(110)	93	–	6,655	(0.6%)	(0.7%)	(1.7)	0.9	0.1
Developing Markets	4,566	–	(1)	(85)	–	4,480	11.2%	9.6%	(0.9)	6.1	4.4
Kraft Foods	\$ 34,356	\$ (369)	\$ (111)	\$ (145)	\$ –	\$ 33,731	0.7%	1.5%	(1.7)pp	2.5pp	0.7pp
2005 Reconciliation											
U.S. Beverages	\$ 2,852	\$ (141)	\$ –	\$ –	\$ (1)	\$ 2,710					
U.S. Cheese	3,657	(22)	–	–	–	3,635					
U.S. Convenient Meals	3,527	–	–	–	–	3,527					
U.S. Grocery	3,352	(114)	–	–	–	3,238					
U.S. Snacks & Cereals	5,768	(248)	–	–	1	5,521					
Canada & N.A. Foodservice	4,137	(342)	–	–	2	3,797					
North America	\$ 23,293	\$ (867)	\$ –	\$ –	\$ 2	\$ 22,428					
European Union	6,714	(12)	–	–	–	6,702					
Developing Markets	4,106	(19)	–	–	–	4,087					
Kraft Foods	\$ 34,113	\$ (898)	\$ –	\$ –	\$ 2	\$ 33,217					

Kraft Foods Inc.
Reconciliation of GAAP and Non-GAAP Information
Operating Income
For the Twelve Months Ended December 31,
(\$ in millions) (Unaudited)

	As Restated (GAAP)	Asset Impairment, Exit and Implementation Costs - Restructuring	Asset Impairments / Other Expenses - Non- Restructuring	(Gains) / Losses on Divestitures, net	Excluding Items (Non- GAAP)	% Change	
						As Restated (GAAP)	Excluding Items (Non- GAAP)
2006 Reconciliation							
U.S. Beverages	\$ 204	\$ 26	\$ 75	\$ 95	\$ 400	(55.5%)	(14.7%)
U.S. Cheese	660	92	–	–	752	(3.6%)	8.8%
U.S. Convenient Meals	412	90	–	–	502	(13.1%)	3.5%
U.S. Grocery	1,254	50	–	(226)	1,078	23.1%	(4.7%)
U.S. Snacks & Cereals	774	55	168	5	1,002	(9.8%)	5.1%
Canada & N.A. Foodservice	449	25	–	9	483	33.2%	(2.0%)
North America	\$ 3,753	\$ 338	\$ 243	\$ (117)	\$ 4,217	(2.0%)	(0.1%)
European Union	548	253	170	(251)	720	(24.1%)	(4.6%)
Developing Markets	416	82	11	–	509	4.0%	17.3%
Corporate Items	(196)	–	–	–	(196)	3.9%	3.9%
Kraft Foods Operating Income	\$ 4,521	\$ 673	\$ 424	\$ (368)	\$ 5,250	(4.8%)	0.8%
2005 Reconciliation							
U.S. Beverages	\$ 458	\$ 11	\$ –	\$ –	\$ 469		
U.S. Cheese	685	7	–	(1)	691		
U.S. Convenient Meals	474	11	–	–	485		
U.S. Grocery	1,019	17	93	2	1,131		
U.S. Snacks & Cereals	858	32	63	–	953		
Canada & N.A. Foodservice	337	43	113	–	493		
North America	\$ 3,831	\$ 121	\$ 269	\$ 1	\$ 4,222		
European Union	722	147	–	(114)	755		
Developing Markets	400	29	–	5	434		
Corporate Items	(204)	–	–	–	(204)		
Kraft Foods Operating Income	\$ 4,749	\$ 297	\$ 269	\$ (108)	\$ 5,207		