

**Annual Meeting of Stockholders
East Hanover, New Jersey
Remarks by Irene Rosenfeld, Chairman and CEO, Kraft Foods
April 24, 2007**

Irene Rosenfeld:

I now call the Kraft Foods 2007 Annual Meeting of Stockholders to order.

Good morning. And thank you for coming. I'm Irene Rosenfeld, Chairman of the Board and Chief Executive Officer.

It is my pleasure to welcome those of you here in East Hanover, New Jersey, as well as everyone joining us via live webcast. A replay of this morning's proceedings will be available on our website, kraft.com.

I'd like to express my appreciation to our Kraft employees here in East Hanover – the home of our Snacks and Cereals business in North America. Thank you so much for hosting us and for making us feel welcome in this wonderful facility.

I would now like to introduce the members of our Board of Directors who are here today ... I'd ask each of them to stand as I call their name. They are:

- Ajay Banga, Chairman and CEO of Citigroup's Global Consumer Group, International, who joined us in January
- Mark Ketchum, President and CEO of Newell Rubbermaid, who is standing for election today
- Dr. Richard Lerner, President of The Scripps Research Institute
- Jack Pope, Chairman of PFI Group
- Mary Schapiro, Chairman and CEO of NASD, who is our Lead Director
- Debbie Wright, Chairman, President and CEO of Carver Bancorp
- And ... Louis Camilleri, Chairman and CEO of Altria Group, who I would ask to remain standing for just a moment.

Louis, on behalf of everyone at Kraft, I would like to take a minute to express our most sincere gratitude to you.

As part of our spin off from Altria, Louis stepped down as Chairman of Kraft on March 30th, after serving in this role for more than 4 1/2 years.

We thank him for all he has done over the years to build Kraft into a leading -- and now independent -- Fortune 100 company. We are delighted and fortunate that Louis has agreed to continue serving on our Board. Thank you, Louis.

I'd also like to introduce Tony Krizman (Kriz-Min) of PricewaterhouseCoopers, our independent auditors.

Finally ... I'd like to introduce Carol Ward, our Vice President and Corporate Secretary.

Let me now turn the floor over to Carol to review the agenda for the meeting, establish that the meeting has been duly called and that a quorum is present.

Carol Ward:

Thank you Irene. A printed program, with today's meeting agenda and procedures, was on your chair when you arrived.

The Board fixed February 28, 2007 as the record date for determining shareholders entitled to vote at this meeting. I have an Affidavit attesting to the mailing, which began on March 22, 2007, and included the Notice of Meeting, the Proxy Statement, form of Proxy, and the 2006 Annual Report to all shareholders of record.

As stated in the Notice, the purposes of this meeting are to:

- Elect nine directors;
- Ratify the appointment of PricewaterhouseCoopers LLP as independent auditors for the fiscal year ending December 31, 2007;
- And to transact any other business properly coming before the meeting.

Jack Liger (L-eye-Jer) and Kevin Laurita (La-Rita) of Computershare Trust Company, the corporation's transfer agent, have been appointed to act as Inspector of Election.

Both are present and have subscribed to their oath of office. They have advised me that common stock representing more than 98% of the voting rights is represented here today. Therefore, a quorum is present.

Irene Rosenfeld:

On the basis of the Corporate Secretary's report, the meeting is duly convened.

The polls for each matter voted on at this meeting will open when all of the proposals have been presented.

Now, I will turn the floor back to Carol....

Carol Ward:

During this meeting, we'll be making forward-looking statements and actual results may vary materially from the statements made.

Please see the Risk Factors section of our Form 10-K for the year ended December 31, 2006 on file with the Securities and Exchange Commission for a discussion of the risk factors that could cause material variations from the forward-looking statements made during this annual meeting.

We'll be discussing financial information that includes non-GAAP financial measures today. Please refer to our website -- kraft.com -- under the Investors tab. Click Financial News and Events for the most directly comparable GAAP financial measures, with reconciliation to the non-GAAP financial measures discussed today.

Now, I'd ask you to please direct your attention to the screen.

(SHOW VIDEO)

Irene Rosenfeld:

Those were the sights and sounds from the floor of the New York Stock Exchange earlier this month. On April 2nd we rang the opening bell – marking our first business day as a fully independent company following the spin off from Altria.

You also heard the voices of several of our employees from around the world who joined me on that special day. I hope you got a sense of their enthusiasm.

They represent our 90,000 employees who are energized and eager to write this next chapter in our company's history.

I'm confident in our ability to return Kraft to reliable top-line growth ... and our people are the reason why.

Whether you've owned Kraft stock for some time or are new to Kraft -- we are focused on and committed to delivering attractive returns to you -- our shareholders.

Let me tell you how we intend to do that.

When I returned to Kraft last June, I spent a lot of time listening and learning. My previous 22 years here -- along with the years I spent at Frito-Lay -- gave me a unique perspective -- as both an outsider and an insider -- a clear sense of the challenges we face, and an even deeper appreciation for the potential and promise of this great company.

Listening and learning were invaluable to me in shaping the plan we introduced in February -- our plan for taking our great portfolio in new directions and accelerating Kraft's growth. 4 strategies are guiding us.

They are:

- Rewire the organization for growth
- Reframe our categories ... to make our portfolio more relevant and grow faster
- Exploit our sales capabilities ... to build our scale advantage
- And drive down costs without compromising quality

Over the last two months, we've been talking a lot about our strategies -- with investors, with our employees and with the media.

Today, I want to summarize each of the strategies and highlight some of the actions we've already taken.

Let's start at the top. Our first strategy is to rewire the organization for growth.

It's the key to unlocking the potential of our organization, which is the underpinning of our ability to grow faster.

To date, we've made progress in a number of areas:

- We've put a new management team in place and I'm pleased that some of them are here with me today.

- We're building a diverse mix of internal and external talent across Kraft, creating a strong combination of fresh perspectives and deep company knowledge.
- We're putting operating decisions in the hands of our local-market leaders, the people closest to our consumers, so we can act more quickly on new ideas that will drive growth.
- And, we're focusing on what matters most in driving performance and shareholder return.

Rewiring the organization to think and act differently is a necessary step to enable all of our growth initiatives.

And that brings me to our second strategy ... Reframing our categories.

This is about realizing the full potential of our unique and highly complementary brands – by broadening our frame of reference and by capitalizing on the power of our portfolio. When we do this right, the breadth of our offerings will be a significant competitive advantage.

We're viewing our portfolio by looking through the eyes of our consumers – rather than through the narrow lens of our manufacturing processes -- to better understand how our foods fit into their lives.

By broadening our frame of reference for each of our categories, we can:

- Compete in larger, faster-growing categories
- Gain share from a wider range of quick meal and snack alternatives
- Drive incremental volume and mix
- And better meet consumer needs

We've already seen the success of this approach in several of our businesses. Oscar Mayer Deli-Shaved meats is a great example.

This product not only competes with other refrigerated cold cuts but it was developed to capture share from the growing deli meat market. Deli-Shaved is a very successful product – a \$200 million dollar brand that grew an outstanding 49% last year.

We're applying a broader frame of reference to all of our businesses around the world – and while the details may be different, the result is exciting new ideas for growth.

Here's another story – from our pizza business – to show you the opportunities that emerge when we broaden our frame of reference.

For some time we've been competing effectively in the frozen pizza category with our Jack's and Tombstone brands. And, with national pizza chains with our DiGiorno rising crust pizza and our premium California Pizza Kitchen line. Our pizza business has been growing nicely. But, we see even more opportunity.

Today, we're going after an even bigger slice of the pizza pie -- the \$20 billion dollar local pizzeria business. Our fabulous, new DiGiorno Ultimate Pizza, which we introduced this spring, is one way we're going to compete and grow in this larger market.

It's also one of our most visible examples of our commitment to moving our product quality from "good enough" to "truly delicious."

Look for it in your local store and give it a try. See if you don't think it's just as good as restaurant quality pizza -- with at-home convenience and at half the price.

Another way we're reframing our categories is by capitalizing on the power of our portfolio.

We're doing this by taking advantage of our significant scale across categories. This is a powerful concept, especially when applied to serving the needs of consumers looking for specific benefits from their food.

A great example is our South Beach Diet line. It is designed for consumers looking for convenient, delicious ways to manage their weight – across every eating occasion throughout the day.

It's already over a quarter of a billion dollars. And we expect to continue to grow it at double-digit rates over the next couple of years.

We're also using the power of our portfolio to expand beyond individual component products to complete meal solutions.

I want to share 2 exciting examples of how we're using our proprietary technologies, together with our trusted brands, to create delicious meal solutions.

Our new Oscar Mayer Deli Creations sandwiches combine a number of our leading brands that we sell individually – like Oscar Mayer meat, Kraft cheese, A.1. steak sauce and Grey Poupon mustard -- to create convenient and delicious sandwiches.

You simply pop it in the microwave, and in one minute, you're eating a hot sandwich that tastes freshly baked.

Another idea -- that is being tested in select markets now -- is our new line of salads, Fresh Creations.

Again, we're bringing together our proprietary packaging and trusted brands – like Oscar Mayer meats, Kraft cheese and salad dressings, and Planters nuts -- to create branded, prepared salads that offer a whole new level of convenience, freshness and quality. Done in a way that only Kraft can do.

In fact, our advertising says it all ... "Restaurant fare anywhere."

In sum, by reframing our categories, we will:

- Make our current products more relevant
- Take volume from larger, faster growing markets
- Rebuild our new product pipeline with delicious new choices for consumers
- And importantly, improve our margins

Our third strategy is to exploit our sales capabilities.

We have one of the largest and most powerful sales organizations in the food industry. We're looking at that capability as a way to accelerate growth – as a source of competitive advantage.

The key to sales success is in-store execution. We believe that by leveraging the breadth and scale of our total portfolio, we can drive faster growth. We are piloting an approach in North America that we call "Wall-to-Wall."

It's just what the name implies. One sales rep covers the entire store, wall-to-wall ... and is responsible for bringing our portfolio to life – on shelf, on end-caps and on display.

I'm pleased to tell you that, to date, the results of this initiative are very encouraging.

Internationally, exploiting our sales capabilities means:

- Expanding our distribution reach in countries with rapidly growing demand
- And, investing and applying local-market know-how to build distribution in the traditional outlets where most consumers shop for food.

We're taking our successful experiences in Russia and Ukraine, and applying what we learned there to a select number of other developing markets where we have sufficient scale, including Brazil and Mexico.

Our fourth strategy is to drive down costs without compromising quality.

Driving down costs has been and remains a core competency for Kraft. In the future, however, we'll strike a better balance, as we invest more in growth. We'll cut back in certain areas, while investing in others that drive or support growth – like marketing, sales and R&D.

The most important point I want to make here is that none of our actions to reduce costs will be taken at the expense of quality or capability.

So, those are our four strategies to get Kraft growing again...

- Rewire the organization for growth
- Reframe our categories ... to make our portfolio more relevant and grow faster
- Exploit our sales capabilities ... to build our scale advantage
- And drive down costs without compromising quality

We're only at the beginning of a 3-year plan. So, it will take some time before you see the impact of these plans in our financial results.

However, let me assure you, there's a sense of urgency at Kraft. Everyday, we focus on what we can do to get growing and to deliver superior shareholder value.

Let me now turn to our 2006 results....

As you know, our results last year were mixed. Although we had increases in net revenues and reported net earnings, growth in our large North American business slowed significantly in the second half of 2006.

And, although diluted earnings per share for the year increased, they were driven, in large part, by one-time non-operational benefits.

For the first quarter – which we reported last week – we made progress on our growth strategy. We delivered solid revenue growth ... and results met our expectations.

Our results reflect improvements in a number of core categories. And while we still have many challenges, I'm encouraged by the progress we're seeing.

Throughout 2007, we'll continue to invest in growth. We're making the necessary investments to get our business back on track, to implement our strategic turnaround and to set the stage for reliable long-term growth.

Specifically, we're investing in 4 areas:

- We're improving product quality, moving from "good enough" to "truly delicious."
- We're building a pipeline of products that are new to the world, not just new to Kraft.
- We're providing both our new and existing products with competitive levels of marketing support.
- And we're improving our infrastructure to support growth.

In 2008, our operational turnaround will continue to gain momentum, as we grow on both the top and bottom lines.

And by 2009, we'll hit our stride, as we fully realize the financial benefits of our investments and deliver our long-term targets of at least 4% organic net revenue growth and 7 to 9% EPS growth.

We've talked for many years about what we need to do to get Kraft growing. Our strategies provide the roadmap for how we intend to do that.

As I said earlier, this is an exciting time in Kraft's history. We are now fully independent. We have an energized and eager team. And we are taking the right actions to grow this great company and enable it to reach its potential.

On behalf of our 90,000 employees, I thank you for your support. I have absolute confidence that our plan to accelerate Kraft's growth will be successful and deliver attractive returns to you.

At this point, I'd like to open the floor to your questions or comments. This is our chance to talk about our business and for me to hear what's on your minds.

Let me review the procedure for asking questions.

To conduct an orderly meeting and give all eligible shareholders an opportunity to participate, we will follow the procedures in the program.

To review, shareholders should address all questions and comments to me. Anyone wishing to speak should move to one of the microphones located in the aisles. Please limit your comments to two minutes.

The floor is now open for questions....

GENERAL Q&A

Irene Rosenfeld:

Now let's turn to the two business items on the agenda – election of directors and ratification of the independent auditors. Both are described in detail in our proxy statement.

The first item of business is the election of nine directors. Carol, would you please present the nominations?

Carol Ward:

On behalf of the Board of Directors, I nominate the following individuals, as named in the proxy statement:

Ajay Banga
Jan Bennink
Louis Camilleri
Mark Ketchum
Richard Lerner
John Pope
Irene Rosenfeld
Mary Schapiro
and
Deborah Wright

Each to hold office until the next Annual Meeting of Stockholders, or until his or her successor shall have been duly elected or appointed.

Irene Rosenfeld:

Thank you. I declare the nominations closed.

[In accordance with the company's by-laws, no other nominations may be made at this time.]

The meeting is now open for comments on the nominations. I ask that you limit your questions and comments to this very specific topic.

Thank you. [Seeing that there are no comments...] We will now turn to the second item on the agenda. I again recognize Carol Ward.

Carol Ward:

I move adoption of the following resolution: “Resolved, that the ratification of the selection of PricewaterhouseCoopers LLP as the company’s independent auditors for the fiscal year ending December 31, 2007 be approved.”

Irene Rosenfeld:

The meeting is now open for comments on this resolution.

[If there are no comments...] All matters to be voted on have now been formally presented to the meeting. The polls are now open.

[In accordance with the company's by-laws, no other motions may be made at this time.]

Shareholders who have already voted do not need to take any further action with respect to the matters we are voting on today.

If you have not already voted, please complete a proxy card and raise your hand, so the ushers can collect it from you.

All shareholders have now had time to vote. The ushers have collected all of the proxy cards and delivered them to the Inspector of Election. I declare the polls closed.

At this time, will the Corporate Secretary please read the Preliminary Inspector of Election Report?

Carol Ward:

The Inspector of Election has completed the preliminary count of the vote. These preliminary voting results are as follows:

- The nominees for director have been elected, with each receiving in excess of 99 percent of the votes cast for directors.
- The ratification of the selection of PricewaterhouseCoopers as independent auditors for 2007 has been approved, with more than 99 percent of shares voted cast in favor of the resolution.

These preliminary voting results will be included in a news release issued following this meeting and posted on our website – kraft.com. Final voting results will be included in our first-quarter SEC Form 10-Q.

Irene Rosenfeld:

Thank you, Carol.

And now, there being no further business, I declare the meeting adjourned.

Thank you for joining us today.