Agenda

- Sustainable Growth Plan
- 2004 Progress
- Growth Drivers
- 2005 Outlook

Growth Drivers

- Scale Leverage and Increased Focus
- New Product Innovation and Marketing

Scale AND Focus

Scale

- Business system efficiencies
- Sales capabilities
- Cross-category product development capabilities
- Marketing leverage

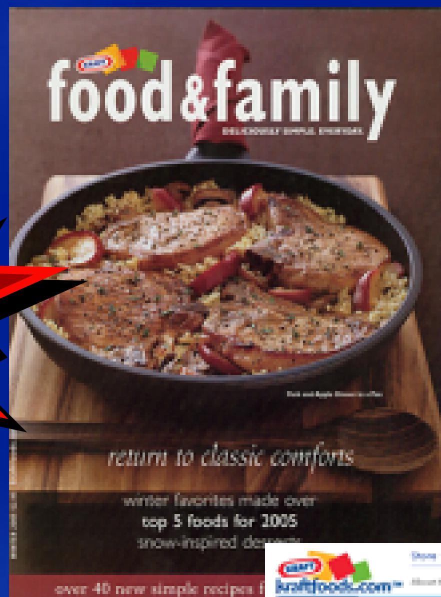
Cross-Category Product Development

Back to Nature Natural / Organic Foods

Marketing Leverage

Consumer Relationship Marketing

#3 Magazine in U.S.

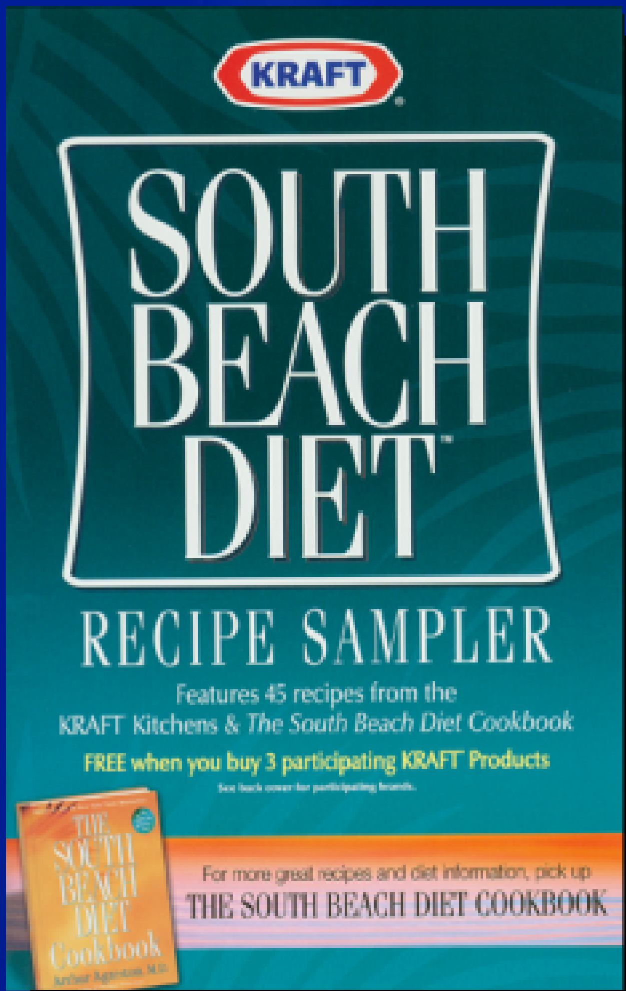


Personalized Email Recipes

#1 Consumer Site for Food Manufacturers

Marketing Leverage

South Beach Diet™ Consumer Promotion



- 18 brands featured in 3-week fall promotion
- Over 2 million recipe samplers distributed
- Strong retailer support
- Participating brands up double-digits during promotion period

Scale AND Focus

Scale	Focus
▪ Business system efficiencies	▪ Category expertise
▪ Sales capabilities	▪ Dedicated resources
▪ Cross-category product development capabilities	▪ Simplified organization
▪ Marketing leverage	

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Goal: Leverage Scale AND Sharpen Portfolio Focus

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Portfolio Focus

Strategies

- Drive for clear leadership in global core categories
- Build / grow geographic leadership in attractive regional core categories
- Exit businesses without sustainable competitive advantage or scale benefits

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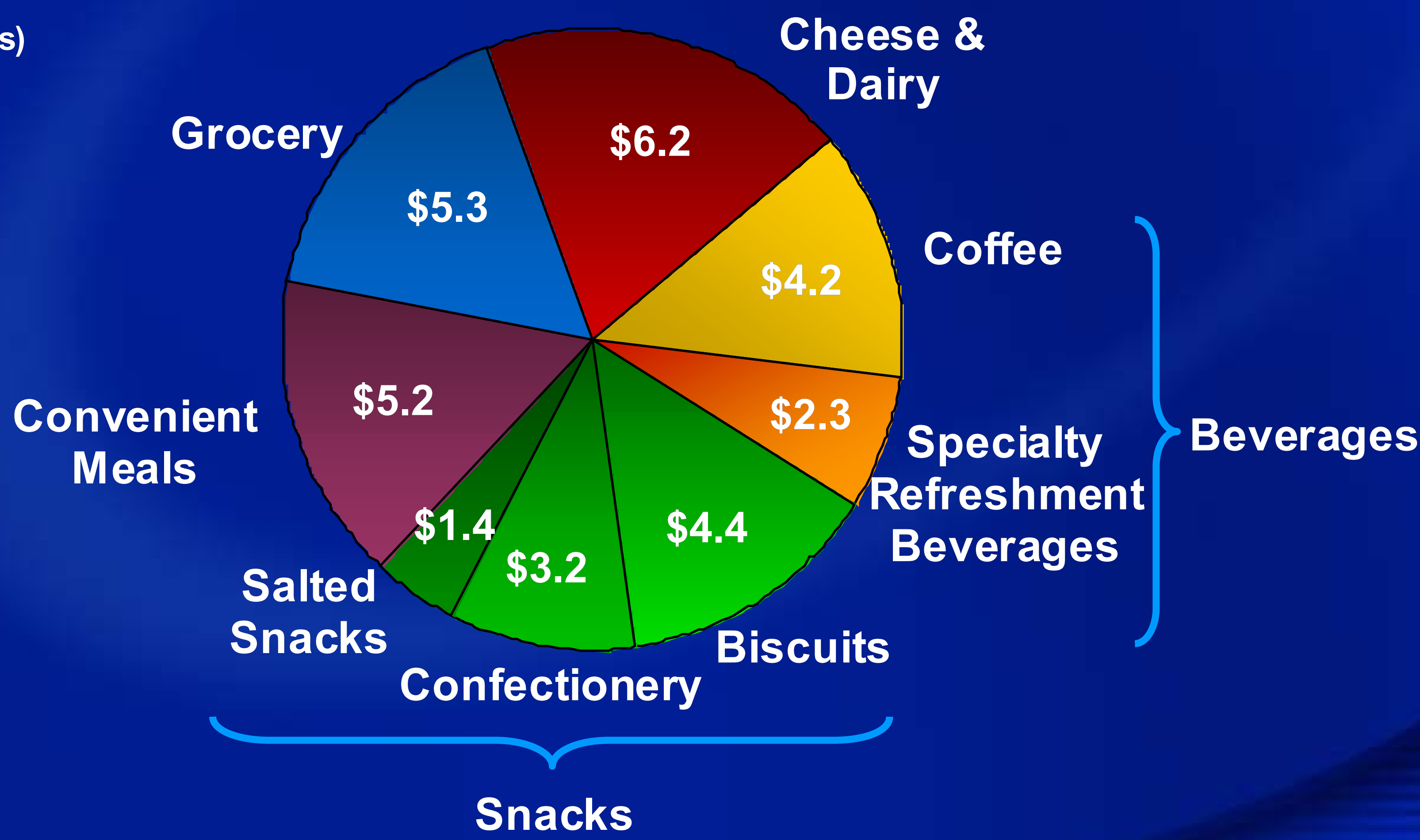
Global Core Categories

- Cheese & Dairy
- Coffee
- Specialty Refreshment Beverages
- Biscuits

Global Consumer Sectors

2004 Revenues $32B

(in billions)



Global Consumer Sectors

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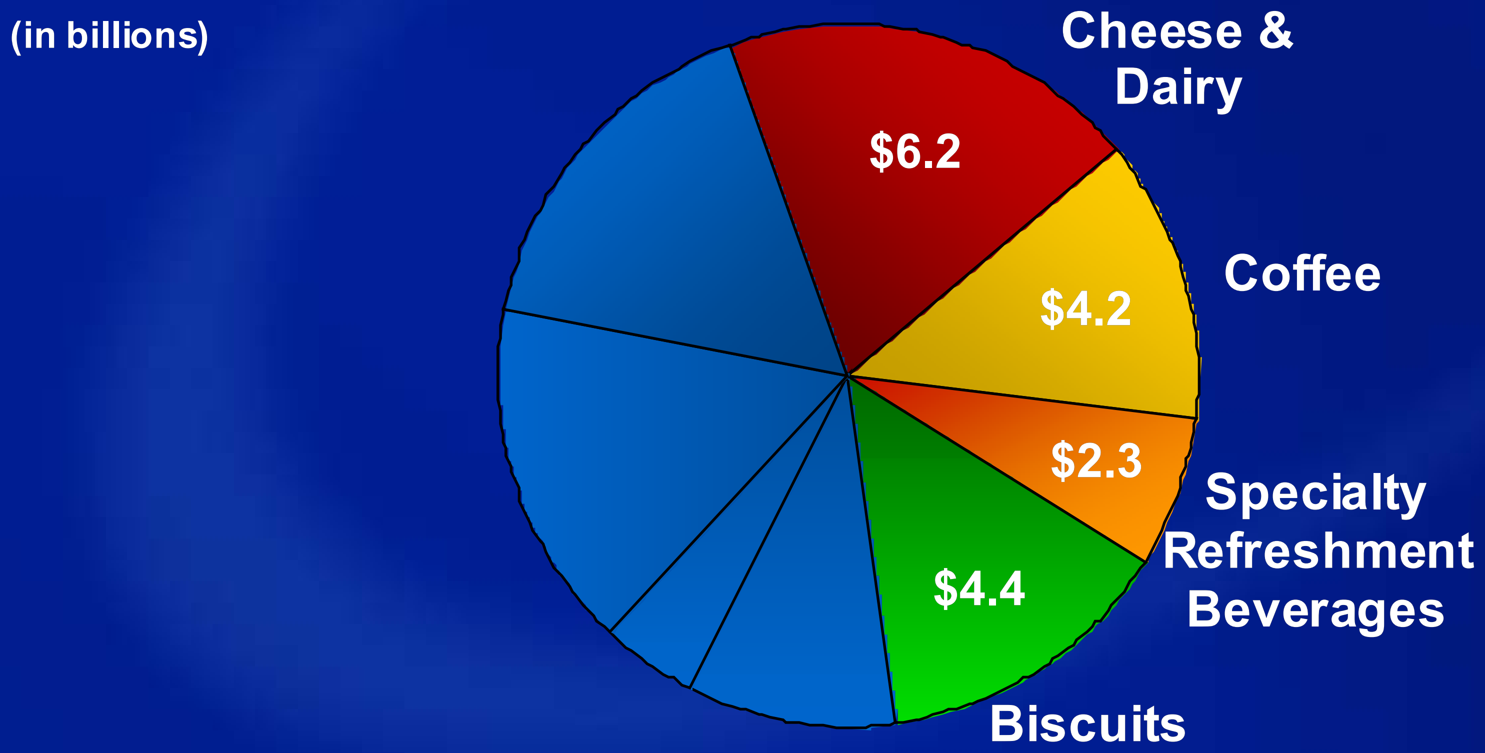

Global Cores - $17B (53% of Total)

Strong Brands in Global Cores

Cheese & Dairy

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PHILADELPHIA

Coffee

JACOBS

GEVALIA

TASSIMO

Maxwell House

Kenco

CARTE NOIRE

STARBUCKS COFFEE (U.S. License)

Specialty Refreshment Beverages

TANG

CRYSTAL LIGHT

Clight

Kool-Aid

CAPRI SUN (U.S. License)

Fruit2O

Biscuits

OREO

Newtons

triscuit

RITZ

Wheat Thins

Chips Ahoy!

Role Of Regional Cores

- Capture opportunities in large and growing categories
- Provide scale on a regional or country-specific basis
- Create cross-category opportunities (eg., promotional, product development)

Category Strength – North America

#1 in 22 of Top 25 U.S. Categories

Snacks

Cookies
Crackers
Snack Nuts

Beverages

Aseptic Juice Drinks
Powdered Soft Drinks
Coffee (#2)

Cheese & Dairy

Cottage Cheese
Cream Cheese
Grated Cheese
Natural Cheese
Process Loaves
Process Slices

Convenient Meals

Bacon
Cold Cuts
Dry Dinners
Frozen Pizza
Lunch Combinations
Hot Dogs (#2)

Grocery

Dry Packaged Desserts
Frozen Toppings
RTE Refrig. Desserts
Salad Dressings
Spoonable Dressings
Steak Sauce
RTE Cereal (#3)

Source: A.C. Nielsen with Wal-Mart on a dollar basis

Category Strength – International

#1 in 19 of Top 25 Int'l Country Categories

Snacks

Chocolate:
- Austria
- Belgium
- Brazil
- Norway
- Sweden
- France (#2)
- Germany (#3)
- U.K. (#4)

Salted Snacks - Scandinavia

Biscuits - Venezuela

Beverages

Coffee:
- France
- Germany
- Poland
- Sweden
- Italy (#2)
- Russia (#2)
- U.K. (#2)

Powdered Beverages:
- Brazil
- Mexico
- Venezuela

Cheese & Dairy

Cream Cheese - Italy

Cream Cheese - U.K.

Process Cheese - U.K.

Grocery & Convenient Meals

Yeast Spreads - Australia

Sliced Beef - Italy

Source: A.C. Nielsen, IRI, DTI on a pound basis

Continued Portfolio Transformation

- External Development
- Internal Development

External Development

Acquisitions / Alliances	Divestitures
▪ Focus on global cores ▪ Strengthen international position ▪ Build route-to-market capabilities	▪ No sustainable competitive advantage potential ▪ Not critical to scale ▪ Primarily tail brands

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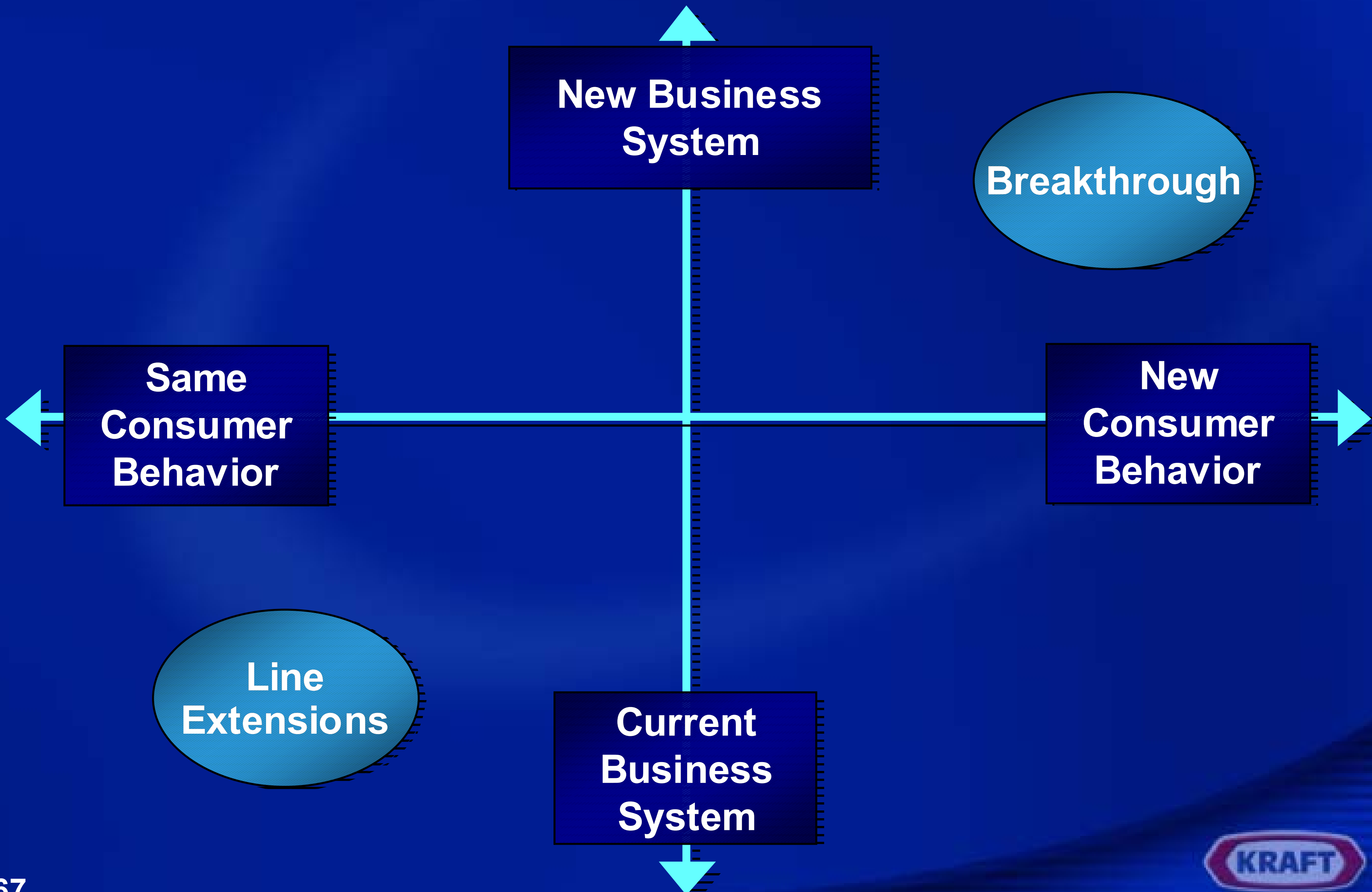
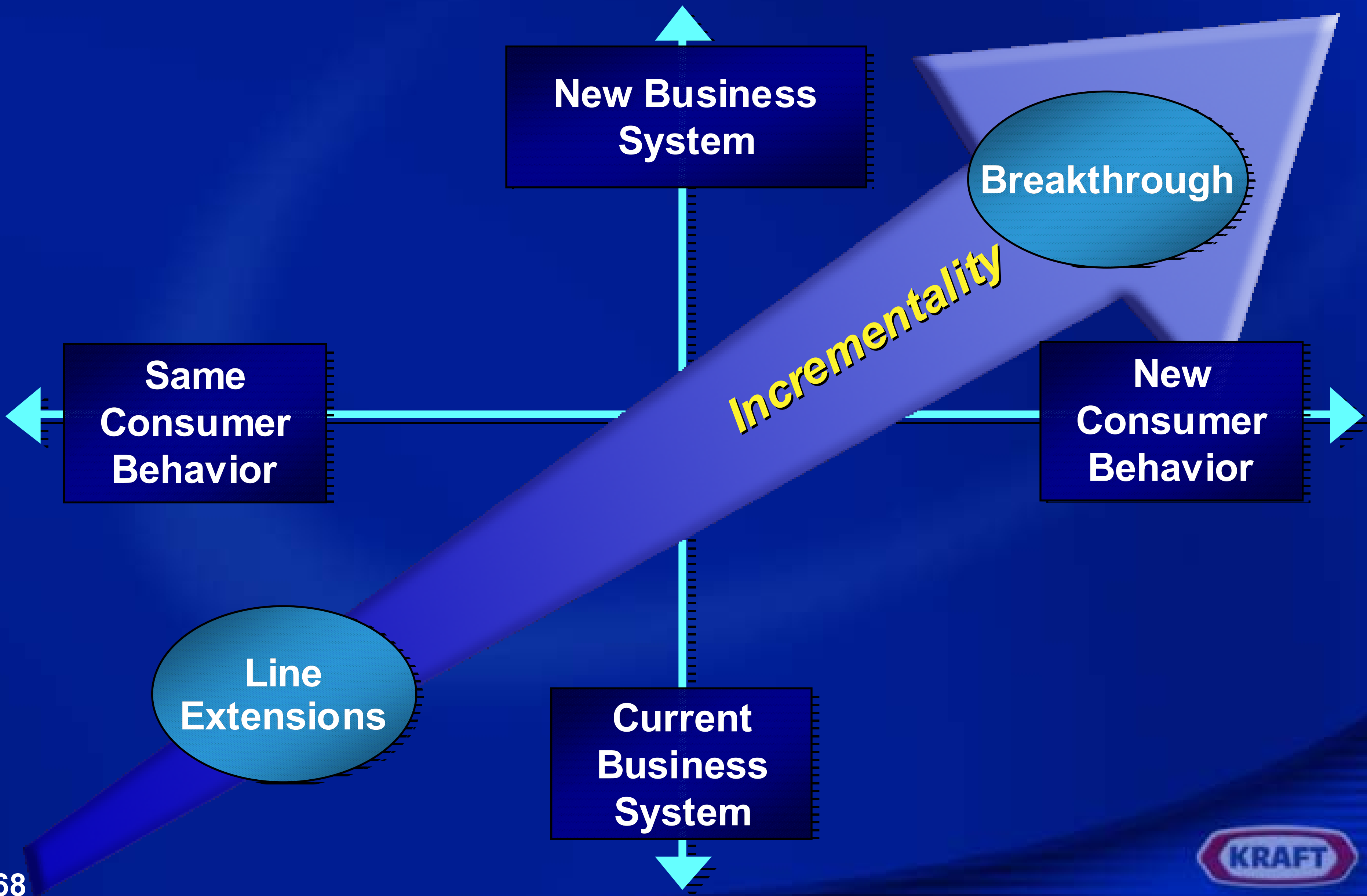
Disciplined Financial Approach

New Product Innovation Spectrum

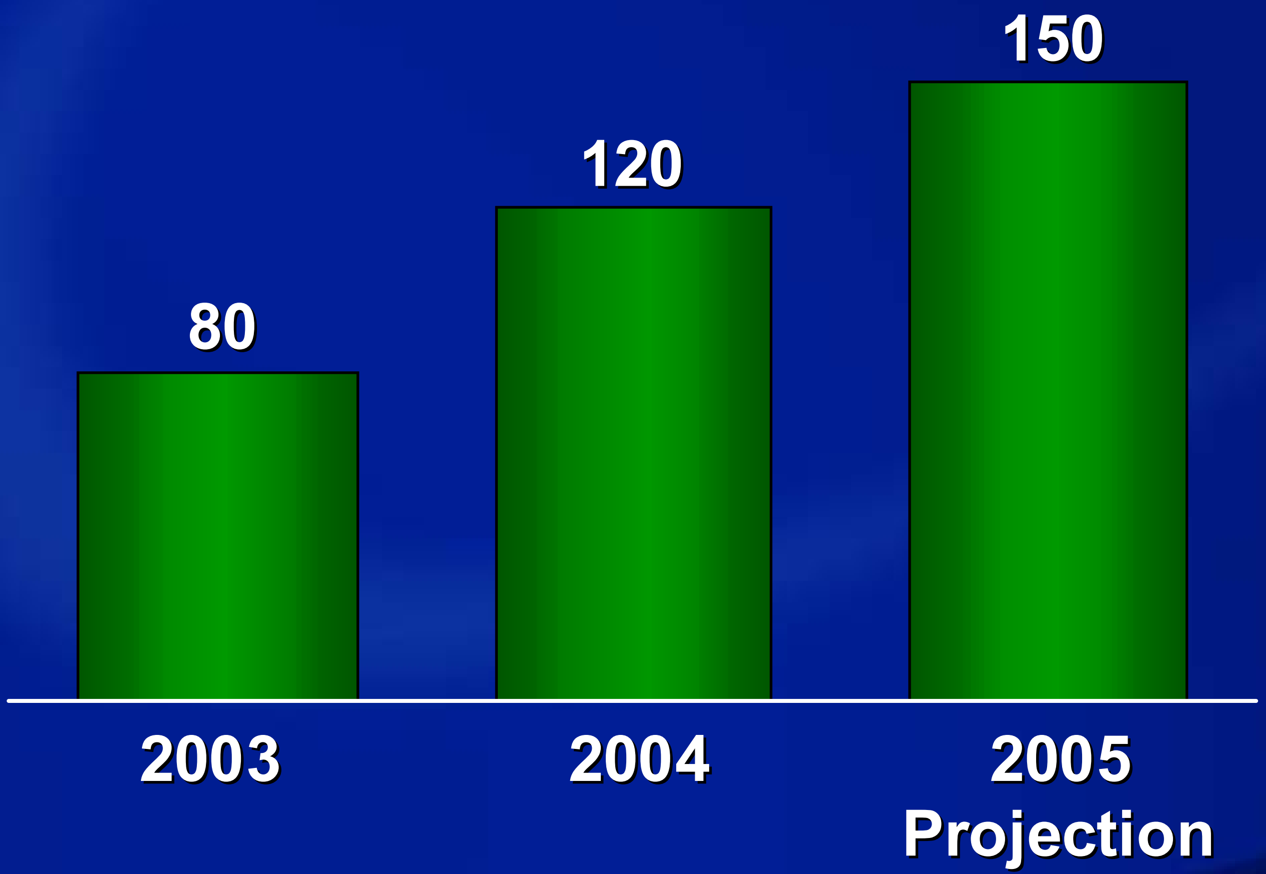


New Product Innovation Spectrum



New Products Driving Improved Mix

New Products Vs. Base - Revenue/Lb Index



Growth Platforms

New Product Ideas That:

- Address large unmet consumer needs
- Offer multiple incremental extension opportunities
- Provide geographic expansion potential
- Can be leveraged across brands
- Utilize protectable technologies

Key 2005 Growth Platforms

- Developing Market Powdered Beverages
- Cracker Chips
- U.S. Frozen Pizza
- Health & Wellness
- On-Demand Coffee

Flavor Variety

55 Flavors of Tang Across 80 Countries

Protein Needs

Milk Preparation Technology

Restaurant / Take-Out Quality

Crust and Flavor Variety

Faster Preparation

Microwavable Dough Technology

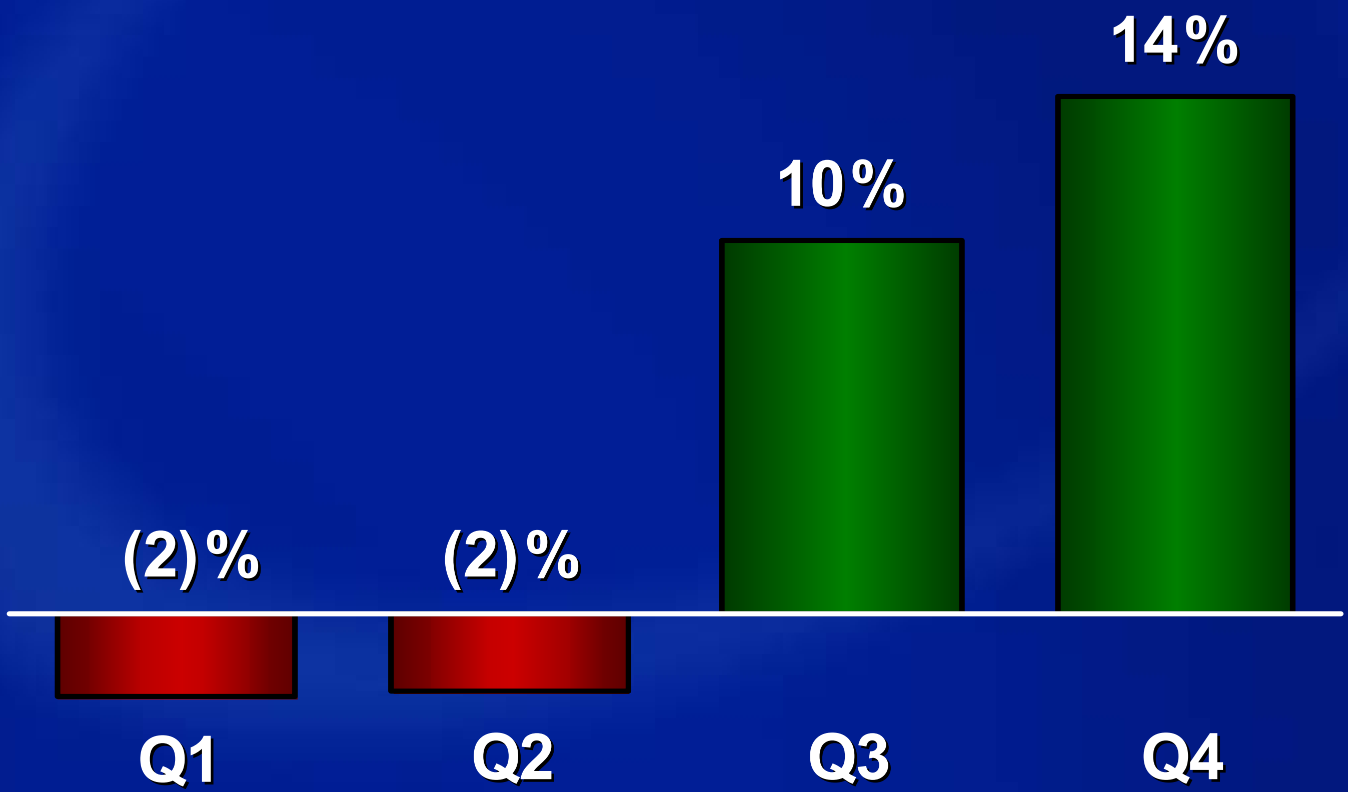
2004

2005

DiGiorno Commercial

Accelerated Frozen Pizza Growth

Revenue Growth – 2004 Vs. 2003



Share Chg	(3.3) pp	(1.9) pp	+0.8 pp	+2.5 pp

Source: A.C. Nielsen with Wal-Mart; dollar basis

U.S. Ritz Chips

2003/2004

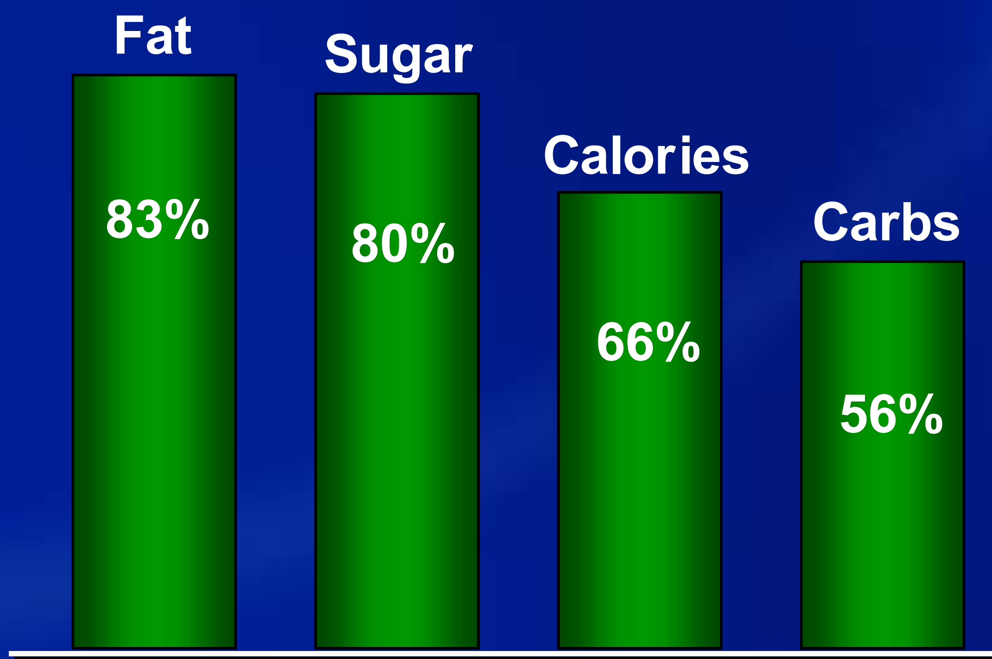
2005

Ritz Chips International Expansion

Weight Management

- 64% of Americans overweight or obese
- 50% dieted in past year
- 25% currently dieting
- 82% dissatisfied with most recent diet

% of Dieters Limiting



Source: 2003 Gallup Poll

Reduced Calorie Beverages

Crystal Light – Shake Your Bottle Commercial

Reduced Calorie Snacks

Nabisco 100 Calorie Packs

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“Right Carbs” - Whole Grains

Snacks

"Right Carbs" - Whole Grains

Cereals

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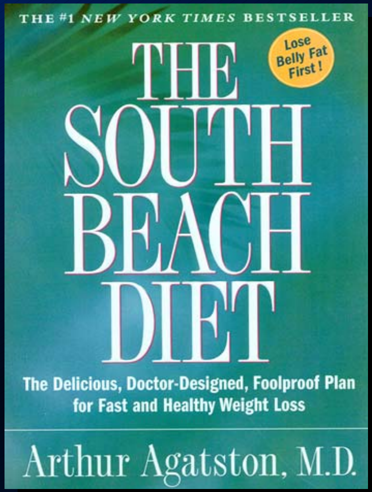
South Beach Diet™

- Right Carbs
  - Whole grains
  - Fiber



- Right Fats
  - Saturated/trans fats minimized
  - Mono/poly unsaturated fats preferred
- Lean Sources of Protein
  - Promotes feeling of fullness/satiety

South Beach Diet™ - A Total Solution

South Beach Diet™ Vs. Competition

Key Consumer Advantages

Products	Key Competitor	More: Fiber	More: Protein	Other
Frozen Entrees	Lean Cuisine	✓	✓	Satisfying portions
Frozen Pizza	Lean Cuisine	✓	✓	Less calories, whole grain crust
Wrap Kits	Subway Wraps	✓		Less fat
Meal Bars	Slim Fast Meal-on-the-Go	✓	✓	Less sugar
Cereal Bars	Nutra-Grain, Special K	✓	✓	Less sugar
Cereal	Special K	✓		Excellent whole grain source

Source: Nutritional panel comparisons of leading items

Kraft Coffee Filter Pod Success

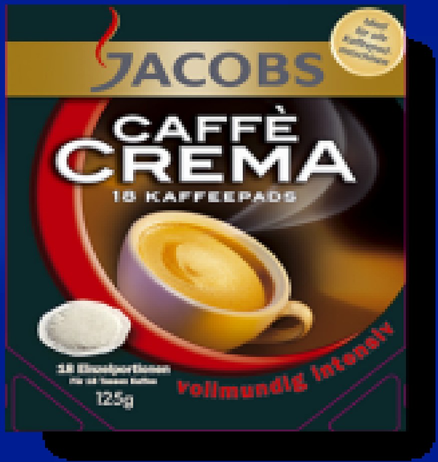
United Kingdom

France

France

Nordic

Germany/Austria



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Tassimo Hot Beverage System

Tassimo - Technological Innovations

- System/Exclusive T-Discs
  - One-button operation
  - Integrated bar code reader
  - Optimal water temperature and brewing conditions
  - Proprietary dairy technology for lattes / cappuccino foam
  - Multiple drinks & sizes

- Patent protected

Strong Tassimo France Results

2005 European Geographic Expansion

U.K.

Tassimo Commercial

On-Demand Coffee - Mix Shift

France Avg. Cost / Cup – Index Vs. Filter Coffee

At Home	
Filter Coffee	1.0x
Instant Coffee	1.2x
On-Demand Pods	3.2x
Tassimo	6.2x
Away-From-Home	> 25.0x

Strong Growth Platforms

New Business System

Current Business System

Same Consumer Behavior

New Consumer Behavior

Tassimo

Maxwell House Café Collection

Back to Nature

South Beach Diet

Ritz Chips

New! DiGiorno Microwave Rising Crust Pizza

Whole Grains

Triscuit

Honey Maid

Fortification

Tang

100 Calorie Packs