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**North Carolina Security Breach Reporting Form
Pursuant to the Identity Theft Protection Act of 2005**

PLEASE SUBMIT FORM TO:

Name of Business Owning or Licensing Information Affected by the Breach: Kraft Foods
Address: Three Lakes Drive, Northfield, IL 60093
Telephone: (202) 942-4360
Fax: (570) 472-6175
Email: Jim.Portnoy@kraft.com

Consumer Protection Division
NC Attorney General's Office
9001 Mail Service Center
Raleigh, NC 27699-9001
Telephone: (919) 716-6000
Toll Free INC: (877) 566-7226
FAX: (919) 716-6050

Date Security Breach Reporting Form submitted: February 28, 2008

Date the Security Breach was discovered: January 16, 2008

Estimated number of affected individuals: 19,246 North Carolina Residents: 32

Name of business maintaining or possessing information that was the subject of the Security Breach, if the business that experienced the Security Breach is not the same entity as the business reporting the Security Breach (pursuant to N.C.G.S. §75-65(b)): Not Applicable.

Describe the circumstances surrounding the Security Breach and state whether the information breached was in electronic or paper format: We recently became aware of a theft of an employee's laptop computer. The laptop contained certain personal information about some employees of Kraft Foods, including names and Social Security numbers.

Regarding electronic information breached, state whether the information breached or potentially breached was password protected or encrypted in some manner: Yes. If so, please describe the security measures protecting the information: The stolen laptop was password protected.

Describe any measures taken to prevent a similar Security Breach from occurring in the future: We are taking action to enhance our data security practices, including:

1. Eliminating the use and storage of personally identifiable information on laptop computers unless it has been approved and encrypted.
2. Maintaining personal information on servers rather than laptops.
3. Conducting training for those who have access to personally identifiable information.

Date affected NC residents were/will be notified: February 26, 2008.

If there has been any delay in notifying affected NC residents, describe the circumstances surrounding the delay pursuant to N.C.G.S. §75-65(a) and (c): Not Applicable.

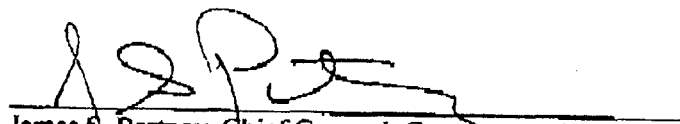
If the delay was pursuant to a request from law enforcement pursuant to N.C. G.S. 75-65(e), please include the written request or the contemporaneous memorandum. Not Applicable.

How NC residents were/will be notified?
(pursuant to N.C.G.S. § 75-65(e))

- written notice
- electronic notice (email)
- telephone notice
- substitute notice

Please attach a copy of the notice if in written form or a copy of Any scripted notice if in telephonic form.

Signature:



Date: February 28, 2008

Contact Person, Title:

James S. Portnoy, Chief Counsel, Corporate and Government Affairs

Address:

Kraft Foods, 975 F Street, NW, Washington, DC 20004

(if different from above)

Telephone: (202) 942-4360

Fax: (570) 472-6175

Email: Jim.Portnoy@kraft.com



Kraft Foods

February 26, 2008

Dear Kraft Employee:

I'm writing to you about the possible compromise of your personally identifiable information. In mid-January, a Kraft-owned laptop computer was stolen from an employee while traveling on company business. The employee was working on a systems project which required migrating data from one database to another. The computer's hard drive containing your name may also have contained your Social Security Number. We are working with law enforcement authorities to find the laptop.

I am very disappointed and sorry this occurred. We are taking actions to enhance our data security practices. While we have controls in place, they clearly need to be strengthened. Over the next few months, we will complete actions that include:

1. Eliminating the use and storage of personally identifiable information on laptop computers unless it has been approved and encrypted.
2. Maintaining personally identifiable information on servers rather than laptops.
3. Conducting training for those who have access to your personally identifiable information.

As we prepared to send you this notice, we wanted to make sure that we had confirmed what information was on the stolen laptop. We also wanted to make sure that the credit monitoring service and our call center were well-prepared to assist you.

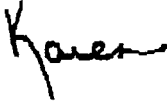
I assure you, we take our obligation to safeguard your personally identifiable information very seriously. While we have no reason to believe that anyone has accessed your information, we are alerting you so you can take steps to protect yourself from possible identity fraud. As a precaution, we are giving you an opportunity to register for two years of free credit monitoring from TransUnion. This credit monitoring service can help you guard against the improper use of your personally identifiable information.

We ask that you register by May 23, 2008 to begin the service. The enclosed reference guide tells you how to register for credit monitoring and includes other suggestions on what you can do to protect your personally identifiable information, including recommendations by the U.S. Federal Trade Commission.

In addition, you are entitled under U.S. law to one free credit report annually from each of the three national credit bureaus. To order your free credit report, visit www.annualcreditreport.com or call toll-free at 877-322-8228.

We hope you find the credit monitoring and reference guide useful. If you would like to speak with us, please don't hesitate to call us toll-free at (877) 784-7748 (from 8 a.m. to 8 p.m. CT, Monday through Friday and Saturday from 8 a.m. to 1 p.m. CT). Again we apologize for the data loss and regret any inconvenience this may cause you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karen".

Karen J. May
Executive Vice President, Human Resources
Kraft Foods Inc.