

KRAFT FOODS INC

Form 4

December 20, 2010

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
FIRESTONE MARC S

(Last) (First) (Middle)

**KRAFT FOODS INC., THREE
LAKES DRIVE**

(Street)

NORTHFIELD, IL 60093

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

KRAFT FOODS INC [KFT]

3. Date of Earliest Transaction
(Month/Day/Year)

12/16/2010

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

EVP and General Counsel

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Class A Common Stock	12/16/2010		M	15,461 (1)	A \$ 23.56 128,188	D	
Class A Common Stock	12/16/2010		F	11,575 (1)	D \$ 31.475 116,613	D	
Class A Common Stock	12/16/2010		F	1,534 (1)	D \$ 31.475 115,079	D	
Class A Common	12/16/2010		M	7,500 (1)	A \$ 25.4 122,579	D	

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Stock

Class A							
Common	12/16/2010	F	6,053 (1)	D	\$	116,526	D
Stock					31.475		

Class A							
Common	12/16/2010	F	571 (1)	D	\$	115,955	D
Stock					31.475		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (right to buy)	\$ 23.56	12/16/2010		M		15,461	<u>(1)</u>	04/02/2007	01/31/2011	Class A Common Stock	15,461
Stock Option (right to buy)	\$ 25.4	12/16/2010		M		7,500	<u>(1)</u>	04/02/2007	01/31/2011	Class A Common Stock	7,500

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
FIRESTONE MARC S KRAFT FOODS INC. THREE LAKES DRIVE NORTHFIELD, IL 60093	EVP and General Counsel

Signatures

/s/ Carol J. Ward, by Power of
Attorney

12/20/2010

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This Form 4 is being filed to report the exercise of stock options that became 100% exercisable on April 2, 2007 and expire on January 31, 2011, and to report the surrender of securities in payment of the exercise price and taxes.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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