

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Final Offer, the contents of this document or what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser duly authorised under FSMA if you are resident in the UK or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.**

This document should be read in conjunction with the accompanying blue Final Form of Acceptance (if you hold Cadbury Shares in certificated form), the Original Offer Document, the Prospectus and the Supplementary Prospectuses relating to the New Kraft Foods Shares, which are available on Kraft Foods' website at [www.transactioninfo.com/kraftfoods](http://www.transactioninfo.com/kraftfoods).

If you have sold or otherwise transferred all of your Cadbury Shares, you should send this document (but not any accompanying personalised blue Final Form of Acceptance), as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or the transferee. This document and any accompanying documents may not be distributed, forwarded to or transmitted in, into or from the US, Canada or any Restricted Jurisdiction. If you have sold or otherwise transferred only part of your holding of Cadbury Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

Information for Cadbury US Shareholders, Cadbury Canadian Shareholders and Cadbury ADS Holders (wherever located) is contained in, and the Final Offer is being communicated by means of, the Final US Offer Document. Kraft Foods is filing the Final US Offer Document with the SEC and is sending it to Cadbury US Shareholders, Cadbury Canadian Shareholders and Cadbury ADS Holders. Accordingly, any person resident, or located in the US or Canada who obtains a copy of this document is requested to disregard it.



## **Recommended Final\* Offer by Kraft Foods Inc. for Cadbury plc**

---

**YOUR ATTENTION IS DRAWN TO THE UNANIMOUS RECOMMENDATION OF THE CADBURY BOARD THAT YOU ACCEPT THE FINAL OFFER SET OUT IN PARAGRAPH 3 OF PART 1.**

You may request a hard copy of this document, the Original Offer Document, the Prospectus, the Supplementary Prospectuses, the Acceptance Forms and/or any information incorporated into this document by reference to another source by contacting the Receiving Agent, Computershare Investor Services PLC, at 2<sup>nd</sup> Floor, Vintners' Place, 68 Upper Thames Street, London EC4V 3BJ or on 0870 889 3144 (or if calling from outside the UK +44 870 889 3144). You may also request that all future documents, announcements and information to be sent to you in relation to the Final Offer should be in hard copy form.

Capitalised words and phrases used in this document shall have the meanings given to them in Appendix V.

**The procedure for acceptance of the Final Offer is set out in Section A of Part 2 of this document and, in respect of certificated Cadbury Shares, in the blue Final Form of Acceptance. To accept the Final Offer in respect of certificated Cadbury Shares, you must complete and return the accompanying blue Final Form of Acceptance as soon as possible and, in any event, so as to be received by Computershare Investor Services PLC by no later than 1.00 p.m. (London time) on 2 February 2010. Acceptances of the Final Offer in respect of uncertificated Cadbury Shares should be made electronically through CREST so that the TTE Instruction settles no later than 1.00 p.m. (London time) on 2 February 2010. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear. Cadbury Shareholders who have already validly accepted the Original Offer (and have not withdrawn those acceptances) will automatically be deemed to have accepted the Final Offer by virtue of their prior acceptances and need take no further action.**

Lazard & Co., Limited, which is authorised and regulated in the UK by the FSA, is acting as financial adviser to Kraft Foods and no one else in connection with the contents of this document and the Offer and will not be responsible to any person other than Kraft Foods for providing the protections afforded to clients of Lazard & Co., Limited, nor for providing advice in relation to the Offer or any matters referred to herein.

Centerview Partners UK LLP, which is authorised and regulated in the UK by the FSA, is acting as financial adviser to Kraft Foods and no one else in connection with the contents of this document and the Offer and will not be responsible to any person other than Kraft Foods for providing the protections afforded to clients of Centerview Partners UK LLP, nor for providing advice in relation to the Offer or any matters referred to herein.

Citigroup Global Markets Limited, which is authorised and regulated in the UK by the FSA, is acting as financial adviser and corporate broker to Kraft Foods and no one else in connection with the contents of this document and the Offer and will not be responsible to any person other than Kraft Foods for providing the protections afforded to clients of Citigroup Global Markets Limited, nor for providing advice in relation to the Offer or any matters referred to herein.

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin – Federal Financial Supervisory Authority) and authorised and subject to limited regulation by the FSA. Details about the extent of Deutsche Bank AG's authorisation and regulation by the FSA are available on request. Deutsche Bank AG, London Branch (and its affiliates) are acting as financial adviser and corporate broker to

---

\* The Offer is final and will not be increased, except that Kraft Foods reserves the right to increase the Offer if there is an announcement on or after the date hereof of an offer or a possible offer for Cadbury by a third party offeror or potential offeror.

Kraft Foods and no one else in connection with the contents of this document and the Final Offer and will not be responsible to any person other than Kraft Foods for providing the protections afforded to clients of Deutsche Bank AG, London Branch (or its affiliates), nor for providing advice in relation to the Final Offer or any matters referred to herein.

Each of Goldman Sachs International, Morgan Stanley & Co. Limited and UBS Investment Bank is acting exclusively for Cadbury and for no one else in connection with the matters referred to in this document and will not be responsible to anyone other than Cadbury for providing the protections afforded to their respective clients nor for providing advice in relation to such matters.

## **IMPORTANT NOTICES**

### **Notice to Cadbury US Shareholders, Cadbury Canadian Shareholders and Cadbury ADS Holders (wherever located)**

Information for Cadbury US Shareholders, Cadbury Canadian Shareholders and Cadbury ADS Holders (wherever located) is contained in, and the Final Offer is being communicated by means of, the Final US Offer Document. This document does not include all the disclosure required to be included in the Final US Offer Document under the US federal securities laws. Accordingly, Cadbury US Shareholders, Cadbury Canadian Shareholders and Cadbury ADS Holders should only rely on the Final US Offer Document in making a decision whether to accept the Final Offer or not.

### **Notice to Cadbury Securityholders resident in South Africa**

In making their decision whether or not to accept the Offer, Cadbury Securityholders who are South African residents will need to take into account the South African Exchange Control Regulations issued in terms of the Currency and Exchanges Act, 1933 (“**the Excon Regulations**”), and consider whether or not their acceptance of the Final Offer and their subsequent receipt of consideration for their Cadbury Shares from Kraft Foods, whether in the form of cash and/or New Kraft Foods Shares, will be in compliance with the Excon Regulations.

### **Other overseas jurisdictions**

The release, publication or distribution of this document and any other applicable Offer-related documentation in jurisdictions other than the UK, France, Ireland or Spain, and the availability of the Offer to Cadbury Securityholders who are not resident in the UK, the US, Canada, France, Ireland or Spain, may be affected by the laws or regulations of relevant jurisdictions. Therefore, any persons who are subject to the laws and regulations of any jurisdiction other than the UK, the US, Canada, France, Ireland or Spain, or Cadbury Securityholders who are not resident in such jurisdictions should inform themselves of and observe any applicable requirements. This document has been prepared in accordance with English Law and the Takeover Code and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

The Offer is not being extended, and will not be extended, directly or indirectly, in or into, or by use of mails or any means or instrumentality (including, without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from within such Restricted Jurisdictions unless otherwise determined by Kraft Foods. Accordingly, copies of this document and the accompanying documents are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction. Persons receiving such documents (including, without limitation, custodians, nominees, and trustees) should observe these restrictions and must not mail or otherwise forward, distribute or send them in, into or from any Restricted Jurisdiction. Doing so may render any purported acceptance of the Offer invalid.

Further information for overseas shareholders is set out in paragraph 8 of Part B of Appendix I. Any person (including, without limitation, any custodian, nominee or trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to forward this document, or any accompanying documents, to any jurisdiction outside the UK, France, Ireland and Spain should read that paragraph.

### **Dealing disclosure requirements**

Under the provisions of Rule 8.3 of the Takeover Code, if any person is, or becomes, “interested” (directly or indirectly) in 1% or more of any class of “relevant securities” of Kraft Foods or of Cadbury, all “dealings” in any “relevant securities” of that company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the Final Offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Kraft Foods or of Cadbury, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Takeover Code, all “dealings” in “relevant securities” of Kraft Foods or of Cadbury by Kraft Foods or Cadbury, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at [www.thetakeoverpanel.org.uk/](http://www.thetakeoverpanel.org.uk/).

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Takeover Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel.

### **Purchases outside the Offer**

In accordance with normal UK practice and subject to Rule 14e-5(b) of the US Securities Exchange Act, Kraft Foods or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Cadbury Shares outside the US, other than pursuant to the Final Offer, before or during the period in which the Final Offer remains open for acceptance. Also, in accordance with Rule 14e-5(b) of the US Securities Exchange Act, Citigroup Global Markets UK Equity Limited, Deutsche Bank AG, London Branch, Credit Suisse Capital LLC, Credit Suisse International, CC Sec USA LLC, CS Securities (Europe) Limited, Barclays Capital Securities Limited, UBS AG, London Branch, Goldman Sachs International, Spear Leeds & Kellogg Specialists LLC, Morgan Stanley Securities Limited, Morgan Stanley Capital Services Inc, Morgan Stanley & Co Inc, Morgan Stanley & Co International Plc and certain of their respective affiliates continue to act as exempt principal traders in Cadbury Shares on the London Stock Exchange. These purchases may occur either in the open market or as privately negotiated transactions. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service of the UK Listing Authority and will be available on the London Stock Exchange website, [www.londonstockexchange.com](http://www.londonstockexchange.com).

### **Forward-looking statements**

Certain statements contained or incorporated by reference in this document may constitute "forward-looking statements". All statements in this document, other than those relating to historical information or current condition, are forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the control of Kraft Foods, that could cause Kraft Foods' actual results to differ materially from those indicated in any such statements. Such factors include, but are not limited to, continued volatility of input costs, pricing actions, increased competition, Kraft Foods' ability to differentiate its products from retailer brands, unanticipated expenses in connection with litigation, settlement of legal disputes, regulatory investigations or enforcement actions, Kraft Foods' indebtedness and ability to pay its indebtedness, the shift in consumer preference to lower priced products, risks from operating outside the US, tax law changes, failure to obtain necessary regulatory approvals or required financing or to satisfy any of the other Conditions of the Final Offer, adverse effects on the market price of Kraft Foods Shares and on Kraft Foods' operating results because of a failure to complete the proposed acquisition, failure to realise the expected benefits of the proposed acquisition, significant transaction costs and/or unknown liabilities and general economic and business conditions that affect the Combined Group following the completion of the proposed acquisition. For more information on these and other factors that could affect Kraft Foods' forward-looking statements, please also see the section entitled "Risk Factors" in the Prospectus and the risk factors in Kraft Foods' filings with the SEC, including Kraft Foods' most recently filed annual report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. Kraft Foods disclaims and does not undertake any obligation to update or revise any forward-looking statement in this document except as required by applicable law or regulation.

## **ACTION TO BE TAKEN TO ACCEPT THE FINAL OFFER**

- (A) **If you hold your Cadbury Shares in certificated form** (that is, not in CREST), you should read Section A of Part 2 and complete the accompanying blue Final Form of Acceptance in accordance with the instructions printed thereon. The completed blue Final Form of Acceptance, together with your share certificate(s) and/or other document(s) of title, should be returned as soon as possible and in any event so as to be received by Computershare Investor Services PLC, by post or by hand (during normal business hours only) at 2nd Floor, Vintners' Place, 68 Upper Thames Street, London EC4V 3BJ, so as to arrive no later than 1.00 p.m. (London time) on 2 February 2010.
- (B) **If you hold your Cadbury Shares in uncertificated form** (that is, in CREST), you should read Section A of Part 2 (including the summary table of Escrow Agent member account details in paragraph 1.2.1 of Section A of Part 2) and ensure that an Electronic Acceptance is made by you or on your behalf and that settlement is made no later than 1.00 p.m. (London time) on 2 February 2010.
- (C) **If you are a Cadbury US Shareholder, a Cadbury Canadian Shareholder or a Cadbury ADS Holder**, you should follow the procedures set out in the Final US Offer Document, which can be obtained from the US Information Agent.

### ***IF YOU HAVE ALREADY ACCEPTED THE ORIGINAL OFFER:***

If you have previously validly accepted the Original Offer (and have not withdrawn that acceptance) you will automatically be deemed to have accepted the terms of the Final Offer and need take no further action. Any elections made in your prior acceptance under the Mix and Match Facility or in respect of the currency of cash consideration remain valid.

**If you have questions in relation to the Final Offer or if you require assistance in completing your blue Final Form of Acceptance (or wish to obtain an additional blue Final Form of Acceptance) or have questions in relation to making an Electronic Acceptance, please telephone Computershare Investor Services PLC on 0870 889 3144 (from within the UK), or on +44 870 889 3144 (from outside the UK). You should be aware that Computershare Investor Services PLC cannot provide any financial, legal or taxation advice in connection with the Final Offer nor any advice on the merits of the Final Offer.**

### **SETTLEMENT**

Cadbury Shareholders who validly accept the Final Offer by 1.00 p.m. (London time) on 2 February 2010 will receive their cash and/or New Kraft Foods Shares by no later than 16 February 2010, if the Final Offer is successful.

**ACCEPTANCES OF THE FINAL OFFER MUST BE RECEIVED  
BY NO LATER THAN  
1.00 P.M. (LONDON TIME) ON 2 FEBRUARY 2010**

## IMPORTANT DATES AND TIMES

The dates and times set forth in the table below in connection with the Final Offer may change in accordance with the terms and conditions of the Final Offer, as described in this document.

References to a time are to London time (unless otherwise stated).

<u>Event</u>	<u>Time and/or date</u>
Latest time for Cadbury Shareholders to accept the Final Offer and end of the Initial Offer Period	1.00 p.m. on 2 February 2010
Expected date on which the Final Offer will become or be declared wholly unconditional	2 February 2010
Payment of consideration to Cadbury Shareholders who accept during the Initial Offer Period (i.e. the Settlement Date)	As soon as practicable after 2 February and by no later than 16 February 2010
New Kraft Foods Shares to be issued under the Final Offer begin trading on the NYSE	On or about the Settlement Date

**ACCEPTANCES OF THE FINAL OFFER MUST BE RECEIVED  
BY NO LATER THAN  
1.00 P.M. (LONDON TIME) ON 2 FEBRUARY 2010**

## CONTENTS

	<u>PAGE</u>
<b>IMPORTANT DATES AND TIMES</b>	5
<b>PART 1: THE LETTER FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF KRAFT FOODS</b>	7
1. INTRODUCTION	7
2. FINAL OFFER	7
3. RECOMMENDATION OF THE CADBURY BOARD	8
4. THE CREATION OF A GLOBAL LEADER IN THE FOOD AND CONFECTIONERY INDUSTRY	8
5. THE FINAL OFFER REPRESENTS AN ATTRACTIVE OPPORTUNITY FOR CADBURY SECURITYHOLDERS	9
6. SUBSTANTIAL SYNERGY BENEFITS	9
7. FINANCIAL EFFECTS OF THE TRANSACTION	9
8. KRAFT FOODS OFFERS AN EXCELLENT INVESTMENT OPPORTUNITY	9
9. SMALL DEALING FACILITY	10
10. CONDITIONS	11
11. OTHER KEY TERMS OF THE FINAL OFFER	11
12. NEXT STEPS	12
<b>PART 2: THE RECOMMENDED FINAL OFFER</b>	13
<b>SECTION A: ACCEPTANCE PROCEDURES AND RELATED MATTERS</b>	13
1. TO ACCEPT THE FINAL OFFER	13
2. RIGHTS OF WITHDRAWAL	18
3. NEW KRAFT FOODS SHARES	18
4. KRAFT FOODS CDIs	18
5. SETTLEMENT	22
6. FINAL OFFER DOES NOT PROCEED AFTER YOU HAVE ACCEPTED	23
7. FINAL OFFER IS REVISED AFTER YOU HAVE ACCEPTED	23
<b>SECTION B: FINANCIAL EFFECTS OF ACCEPTANCE OF THE FINAL OFFER</b>	24
<b>SECTION C: FURTHER INFORMATION</b>	25
1. BREAK FEE ARRANGEMENTS	25
2. FINANCING OF THE CASH CONSIDERATION	25
3. COMPULSORY ACQUISITION, DELISTING AND RE-REGISTRATION	25
4. CADBURY SHARE SCHEMES	26
5. ADDITIONAL INFORMATION	26
<b>APPENDIX I: CONDITIONS AND FURTHER TERMS OF THE FINAL OFFER</b>	27
PART A: CONDITIONS OF THE FINAL OFFER	27
PART B: FURTHER TERMS OF THE FINAL OFFER	27
PART C: FINAL FORM OF ACCEPTANCE FOR CADBURY SHARES IN CERTIFICATED FORM	45
PART D: ELECTRONIC ACCEPTANCE FOR CADBURY SHARES IN UNCERTIFICATED FORM	49
PART E: ACCEPTANCE FOR CADBURY SHARES REPRESENTED BY CADBURY ADSs	53
<b>APPENDIX II: KRAFT FOODS PROFIT ESTIMATE</b>	56
PART A: PROFIT ESTIMATE FOR THE KRAFT FOODS GROUP FOR THE YEAR ENDING 31 DECEMBER 2009	56
PART B: REPORTS ON KRAFT FOODS PROFIT ESTIMATE	57
<b>APPENDIX III: SOURCES OF INFORMATION AND BASES OF CALCULATION</b>	60
<b>APPENDIX IV: ADDITIONAL INFORMATION</b>	62
<b>APPENDIX V: DEFINITIONS</b>	79



In addition to offering the consideration made available under the terms of the Final Offer, Kraft Foods is continuing to provide: (a) accepting Cadbury Shareholders with the Mix and Match Facility, which Kraft Foods has determined will remain open until the end of the Subsequent Offer Period; (b) a facility under which accepting Cadbury Shareholders may elect to receive all cash consideration to which they are entitled in US dollars, if they do not wish to receive it in pounds sterling; (c) a facility under which accepting Cadbury Shareholders will, subject to certain exceptions, receive New Kraft Foods Shares in the form of CDIs, which are capable of being held, transferred and settled in CREST; and (d) a designated UK agent to assist small shareholders resident in certain jurisdictions in holding, trading and managing their CDI interests in the New Kraft Foods Shares.

### 3. Recommendation of the Cadbury Board

In today's announcement of the Final Offer, the Cadbury Board recommended the Final Offer as follows:

**“The board of Cadbury, which has been so advised by Goldman Sachs International, Morgan Stanley & Co. Limited and UBS Investment Bank considers the terms of the Final Offer to be fair and reasonable. In providing their financial advice to the board of Cadbury, Goldman Sachs International, Morgan Stanley & Co. Limited and UBS Investment Bank have taken into account the board's commercial assessments.**

**Accordingly, the board of Cadbury unanimously recommends Cadbury Securityholders to accept the terms of the Final Offer.”**

Commenting on the Final Offer, Roger Carr, Chairman of Cadbury, said:

*“We believe the offer represents good value for Cadbury shareholders and are pleased with the commitment that Kraft Foods has made to our heritage, values and people throughout the world. We will now work with the Kraft Foods' management to ensure the continued success and growth of the business for the benefit of our customers, consumers and employees.”*

### 4. The creation of a global leader in the food and confectionery industry

The board of Kraft Foods believes that a combination of Kraft Foods and Cadbury represents a strong and complementary strategic fit, creating a global confectionery leader, with a portfolio including more than 40 confectionery brands, each with annual sales in excess of US\$100 million. Globally, the Combined Group would be number one in the chocolate and sugar confectionery segments and a strong number two in the high growth gum segment. Cadbury's leading brands, such as *Cadbury*, *Trident* and *Halls*, are highly complementary to Kraft Foods' portfolio and would benefit from Kraft Foods' global scope, scale and array of proprietary technologies and processes. In addition, the acquisition of Cadbury will significantly enhance the strength of Kraft Foods' presence in the confectionery sector, enabling Kraft Foods to leverage Cadbury's product development capabilities. Kraft Foods believes that confectionery markets are consolidating and scale is becoming increasingly important, in part due to retailers' increasing bargaining power, control of the supply chain and growing portfolio of their own retailer brands, which have benefited from the global economic climate. The combination of Kraft Foods and Cadbury provides the Combined Group with important additional scale to compete even more effectively in the confectionery sector.

Kraft Foods and Cadbury have highly complementary geographic footprints. Importantly, a combination would increase scale for both companies in developing markets such as Brazil, Russia and China, where Kraft Foods has a stronger presence, and India, Mexico and South Africa, where Cadbury holds leading positions. The Combined Group would also benefit from an improved position across Europe, including in France and Spain.

Kraft Foods' and Cadbury's routes to market are also highly complementary. Kraft Foods is particularly strong in the grocery channel in North America and Western Europe, while Cadbury is well positioned in instant consumption channels, which have become increasingly important in both developed and developing markets. A combination provides an enhanced platform for the Combined Group to distribute both Cadbury's and Kraft Foods' products through both channels, creating an attractive opportunity for higher growth and margins.

## 5. **The Final Offer represents an attractive opportunity for Cadbury Securityholders**

The Final Offer equates to an enterprise value multiple of 13.0 times Cadbury's underlying 2009 EBITDA<sup>#</sup>, based on the closing share price of US\$29.58 per Kraft Foods Share on 15 January 2010, and an exchange rate of US\$1.63 to £1.00 as at 18 January 2010. The enterprise value multiple is calculated assuming the exercise of all share options and vesting of all share awards held under the Cadbury Share Schemes.

## 6. **Substantial synergy benefits**

The combination of Kraft Foods and Cadbury is expected to provide the potential for meaningful revenue synergies over time from investments in distribution, marketing and product development. In addition, it is expected that pre-tax cost savings of at least US\$675 million annually can be realised by the end of the third year following completion. Total one-off implementation cash costs of approximately US\$1.3 billion are expected to be incurred in the first three years following completion.<sup>‡</sup>

Both Kraft Foods and Cadbury have implemented extensive cost saving and operating efficiency programmes in recent years and have already delivered significant margin improvement and revenue growth improvements. These annual cost savings are still expected to be achieved over and above the current performance improvement plans at each of Kraft Foods and Cadbury (including Cadbury's updated Vision into Action programme). While it is anticipated that these targeted savings will continue to be delivered, Kraft Foods believes that the Combined Group would be capable of achieving substantial further cost savings through economies of scale and procurement benefits, general and administrative cost savings and marketing and selling costs savings.

Cadbury Securityholders are able to share in the synergies resulting from the combination of Kraft Foods and Cadbury through the share component of the Offer.

## 7. **Financial effects of the transaction**

Kraft Foods believes that the Final Offer will deliver the following key benefits:

- accretion to earnings per share in 2011 of approximately US\$0.05 on a cash basis; and<sup>‡</sup>
- a mid-teens return on investment, well in excess of Kraft Foods' cost of capital.<sup>‡</sup>

Kraft Foods believes that the Final Offer is consistent with its commitment to maintain a financially disciplined approach and is well within the key criteria outlined in Kraft Foods' announcement of a possible offer for Cadbury on 7 September 2009:

- accretion to earnings in the second year following completion on a cash basis<sup>‡</sup> (which excludes the one-time costs to achieve synergies and expenses related to the transaction and the impact of non-cash items such as the amortisation of intangibles after acquisition);
- a return on investment in excess of Kraft Foods' cost of capital within an acceptable timeframe<sup>‡</sup>;
- retention of Kraft Foods' investment-grade credit rating; and
- maintenance of Kraft Foods' dividend.

Following the combination with Cadbury, Kraft Foods expects to revise its long-term growth targets to 5+% for revenue and 9-11% for earnings per share, from its previously announced 4+% and 7-9% respectively.<sup>‡</sup>

In addition, the acquisition is expected to enhance the quality of the Combined Group's earnings, and create a business with strong discretionary cash flow generation and attractive revenue growth prospects across a diversified portfolio of brands and product groups worldwide.

## 8. **Kraft Foods offers an excellent investment opportunity**

Kraft Foods believes that scale is important in the global food industry.

<sup>‡</sup> Nothing in this document apart from the Kraft Foods Profit Estimate is intended to be a profit forecast and no statement in this document should be interpreted to mean that the earnings per Kraft Foods Share for the current or future financial periods will necessarily be greater than those for the relevant preceding financial period.

<sup>#</sup> Underlying EBITDA is as defined by Cadbury. Cadbury's Annual Reports and Accounts state that underlying figures include adjustments for restructuring costs, non-trading items, amortisation and impairment of acquisition intangibles, derivative accounting and any associated tax effect.

As the world's second largest food company, with 2008 revenues of US\$41.9 billion, Kraft Foods has significant global scale, with operations in more than 70 countries. While the US is a key market and Kraft Foods is the number one food company there based on retail sales, Kraft Foods generated approximately half of its revenues from outside the US in 2008 and sells its products in approximately 150 countries around the world.

Kraft Foods believes that its portfolio of leading brands is one of the strongest in the global food industry, with nine of its brands generating annual revenues exceeding US\$1 billion each. Kraft Foods' objective is to be the category leader in its principal markets and it generates 80% of its revenues from categories in which it holds the number one position.

Over the past three years, Kraft Foods' management has successfully re-positioned the company for sustainable, profitable growth by reframing its categories, capitalising on its established sales capabilities and driving down costs without compromising its commitment to high quality. Kraft Foods' strategy is centred on marketing and developing leading consumer brands and pursuing growth opportunities to deliver shareholder value. Kraft Foods remains confident in meeting its long-term performance targets.

### ***Kraft Foods has upgraded its EPS guidance***

On 12 January 2010, Kraft Foods increased its guidance for 2009 diluted earnings per share, to at least US\$2.00 (up approximately 5% from 2008) versus the previous expectation of at least US\$1.97<sup>Φ</sup>. This increased guidance reflects strong operating gains as well as a significant increase in marketing investments versus the prior year. Kraft Foods expects to achieve this level of diluted earnings per share while continuing to increase investment behind its brands, with advertising and consumer marketing spending expected to grow to approximately 7% of sales in 2009 from 6.7% of sales in 2008.

### ***Kraft Foods' share price***

Since the announcement of its possible offer for Cadbury on 7 September 2009, Kraft Foods believes its share price performance has been adversely affected by a number of factors of a short-term nature, including: (i) concern that it will not maintain financial discipline regarding an acquisition of Cadbury; (ii) concern that the issuance of Kraft Foods Shares to certain Cadbury Securityholders may result in "flowback" of such shares; and (iii) short selling activity. Kraft Foods believes that, following completion of its acquisition of Cadbury, these short-term pressures on its share price should dissipate.

By way of illustration, Kraft Foods notes the following:

- Kraft Foods has historically traded on a current year price earnings multiple broadly in line with that of the S&P 500 Index. Based on Kraft Foods' own guidance for its 2009 diluted earnings per share of at least US\$2.00<sup>Φ</sup>, Kraft Foods' historical 2009 price earnings multiple is 14.8 times as at 15 January 2010 (the last trading day prior to the publication of this document). The historical 2009 price earnings multiple of the S&P 500 Index is 24.4 times as at the same date;
- between 4 September 2009 (the last Business Day preceding the announcement of its possible offer for Cadbury) and 15 January 2010 (the last trading day prior to the publication of this document), the Kraft Foods Share price has increased by approximately 5.3% from US\$28.10 to US\$29.58. However, the S&P 500 Index has increased by approximately 11.8% over the same period;
- analysts' consensus price target for Kraft Foods Shares is US\$32.67 and 92% of Kraft Foods' current analyst recommendations are either a "buy" or a "hold"; and
- Kraft Foods Shares currently have a dividend yield of approximately 4%.

## **9. Small Dealing Facility**

Subject to clarifying certain legal and regulatory considerations and with the agreement of the Panel, Kraft Foods has agreed to consider offering a free dealing facility to Cadbury Shareholders who own not more than 10,000 Cadbury Shares under which the New Kraft Foods Shares to which such Cadbury Shareholders become entitled under the Final Offer may be sold for their benefit at no cost. Details of such facility, if provided, will be communicated to Cadbury Shareholders in due course.

<sup>Φ</sup> The updated diluted earnings per share profit estimate was announced on 12 January 2010 and reported on for the purposes of the Takeover Code by PricewaterhouseCoopers LLP and by the Financial Advisers. The updated profit estimate and copies of the accompanying reports are set out in Appendix II.

## 10. Conditions

Except as described below, the Final Offer remains subject to the Conditions set out in the Original Offer Document.

The issue of New Kraft Foods Shares pursuant to the Final Offer does not require the approval of Kraft Foods Shareholders. Accordingly, the condition relating to such approvals is treated as satisfied for the purposes of the Final Offer.

Kraft Foods also announced today that it reserves the right to, and intends to, reduce the number of acceptances required to fulfil the Acceptance Condition from 90% to 50% plus one Cadbury Share on or after 26 January 2010.

Following the Kraft Foods announcement on 15 December 2009 and the European Commission announcement on 6 January 2010 that it had cleared the transaction under the Regulation (subject to certain divestments), the US competition condition and the European Commission competition condition have now been satisfied.

The full text of the Conditions is set out in Part A of Appendix I to the Original Offer Document.

## 11. Other key terms of the Final Offer

As New Kraft Foods Shares are not capable of being held, transferred or settled through the usual UK settlement systems (such as CREST), and investors in the UK and elsewhere may be unfamiliar with certain formalities related to the holding and transfer of shares listed on the NYSE. Accepting Cadbury Shareholders (save as provided below) will not be issued with New Kraft Foods Shares directly under the Final Offer but will instead receive such shares in the form of dematerialised depository interests which are capable of being held, transferred and settled in CREST. These dematerialised depository interests are known as CDIs and will provide certain trading and settlement benefits as compared with holding New Kraft Foods Shares directly. Further details of the Kraft Foods CDIs are set out in paragraph 4 of Section A of Part 2 of this document and paragraph 2 of Section E of Part 2 of the Original Offer Document.

Kraft Foods CDIs will not be issued to any accepting Cadbury Shareholder who holds his Cadbury Shares in certificated form (that is, he holds a share certificate) and who has a registered address in the US or any other CSN Restricted Jurisdiction. Such an accepting Cadbury Shareholder will be issued his entitlements to New Kraft Foods Shares by way of the Kraft Foods Direct Registration System (which is explained in more detail in paragraph 4.3 of Section A of Part 2). A list of jurisdictions where the CSN Facility will be made available is set out in the definition of "CSN Permitted Jurisdiction" in Appendix V.

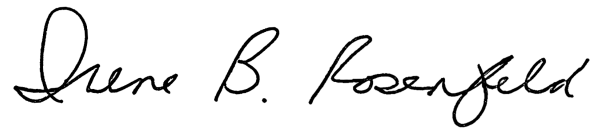
Cadbury Securityholders who accept the Final Offer may make elections under the Mix and Match Facility. Under the Mix and Match Facility, accepting Cadbury Shareholders may elect to vary the proportions in which they receive New Kraft Foods Shares and cash consideration, subject to off-setting elections made by other Cadbury Securityholders. Satisfaction of elections under the Mix and Match Facility will be effected on the basis of £15.94 in cash (being the closing share price of a Kraft Foods Share in pounds sterling on 1 December 2009, the latest practicable date prior to the publication of the Original Offer Document, converted to pounds sterling at an exchange rate of US\$1.6627 to £1.00) for each New Kraft Foods Share (and vice versa). To the extent that elections cannot be satisfied in full, they will be scaled down on a pro rata basis. As a result, Cadbury Shareholders who make an election under the Mix and Match Facility may not have their election under the Mix and Match Facility satisfied in full or at all, and they will not know the exact number of New Kraft Foods Shares or the amount of cash that they will receive until settlement of the consideration under the Final Offer. The Mix and Match Facility will remain open until the end of the Subsequent Offer Period.

Accepting Cadbury Shareholders will receive the cash portion of the Final Offer consideration for their Cadbury Shares in pounds sterling unless they specifically elect to receive it in US dollars. Further information regarding the currency of cash consideration payments is set out in paragraph 9 of Part B of Appendix I.

## 12. Next steps

You are encouraged to read the further information in this document and the Original Offer Document before deciding whether to accept the Final Offer. Details of how to accept the Final Offer are set out in Section A of Part 2. If you have any questions relating to accepting the Final Offer, please contact the Receiving Agent, Computershare Investor Services PLC on 0870 889 3144 or, if calling from outside the UK, on +44 870 889 3144.

Yours faithfully,

A handwritten signature in black ink that reads "Irene B. Rosenfeld". The signature is written in a cursive, flowing style.

for and on behalf of Kraft Foods  
**Irene B. Rosenfeld**  
Chairman and Chief Executive Officer

## PART 2

### THE RECOMMENDED FINAL\* OFFER

#### SECTION A: ACCEPTANCE PROCEDURES AND RELATED MATTERS

##### 1. TO ACCEPT THE FINAL OFFER

**If you hold your Cadbury Shares in certificated form** you should follow the instructions in paragraph 1.1 below. The completed blue Final Form of Acceptance, together with your share certificate(s) and/or other document(s) of title should be returned by post or by hand (during normal business hours) to Computershare Investor Services PLC, 2nd Floor, Vintners' Place, 68 Upper Thames Street, London EC4V 3BJ.

**If you hold your shares in uncertificated form** (that is, through CREST), you should follow the instructions in paragraph 1.2 below.

**If you hold some of your Cadbury Shares in certificated form and others in uncertificated form**, you should follow the instructions in paragraphs 1.1 (in respect of your Cadbury Shares in certificated form) and 1.2 (in respect of your Cadbury Shares in uncertificated form) below.

White Original Forms of Acceptance (previously sent with the Original Offer Document) validly completed and returned in accordance with the terms set out in this document will also constitute valid acceptances of the Final Offer.

***IF YOU HAVE ALREADY ACCEPTED THE ORIGINAL OFFER:***

If you have already validly accepted the Original Offer (and have not withdrawn that acceptance) you will automatically be deemed to have accepted the Final Offer and need take no further action. Any elections made in your prior acceptance under the Mix and Match Facility or in respect of the currency of your cash consideration remain valid.

**ACCEPTANCES OF THE FINAL  
OFFER MUST BE RECEIVED BY NO LATER THAN  
1.00 P.M. (LONDON TIME) ON 2 FEBRUARY 2010**

The Final Offer is made in respect of all Cadbury Shares. Cadbury Shareholders resident in the UK, France, Ireland or Spain and any other jurisdiction where the Final Offer is capable of being lawfully made in compliance with local laws, may accept the Final Offer on the basis described below. Cadbury US Shareholders, Cadbury Canadian Shareholders and Cadbury ADS Holders (wherever located) should not follow the procedures set out below but should refer to the Final US Offer Document, copies of which are available from [www.transactioninfo.com/kraftfoods](http://www.transactioninfo.com/kraftfoods) or the US Information Agent.

**If you are in doubt as to the procedure for acceptance of the Final Offer, please contact the Receiving Agent, Computershare Investor Services PLC, by telephone between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0870 889 3144 or, if calling from outside the UK, on +44 870 889 3144.**

\* The Offer is final and will not be increased, except that Kraft Foods reserves the right to increase the Offer if there is an announcement on or after the date hereof of an offer or a possible offer for Cadbury by a third party offeror or potential offeror.

## 1.1 Cadbury Shares held in certificated form (that is, not in CREST)

### 1.1.1 Completion of the blue Final Form of Acceptance

To accept the Final Offer, you must complete the blue Final Form of Acceptance in accordance with the instructions set out below and on the blue Final Form of Acceptance and should return it as soon as possible **and in any event so as to be received not later than 1.00 p.m. (London time) on 2 February 2010**. The instructions on the blue Final Form of Acceptance are deemed to be incorporated into, and form part of, the terms of the Final Offer. You should complete separate copies of the blue Final Form of Acceptance for Cadbury Shares held in certificated form but under different designations. If you have any queries as to how to complete the blue Final Form of Acceptance, please contact the Receiving Agent, Computershare Investor Services PLC, by telephone between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0870 889 3144 (or if calling from outside the UK +44 870 889 3144). **Additional copies of the blue Final Form of Acceptance are available from the Receiving Agent upon request.**

#### (a) To accept the Final Offer

You must complete Box 1 of the blue Final Form of Acceptance by inserting the total number of certificated Cadbury Shares held by you in respect of which you wish to accept the Final Offer. In addition:

- (i) an individual must sign Box 4A on the blue Final Form of Acceptance in the presence of a witness, who should also sign in accordance with the instructions printed on it; and
- (ii) a company must execute Box 4B on the blue Final Form of Acceptance in accordance with the instructions printed on it.

White Original Forms of Acceptance (previously sent with the Original Offer Document) validly completed and returned in accordance with the terms set out in this document will also constitute valid acceptances of the Final Offer.

#### (b) To make an election under the Mix and Match Facility

To make an election under the Mix and Match Facility you must first accept the Final Offer in accordance with the instructions set out in paragraph 1.1.1(a) above. Having done so, you must then complete EITHER Box 2A OR Box 2B on the blue Final Form of Acceptance. Under the Mix and Match Facility, you may, subject to availability, elect to receive either additional New Kraft Foods Shares only or additional cash only in respect of some or all of your Cadbury Shares. **YOU MUST NOT THEREFORE COMPLETE BOTH BOX 2A AND BOX 2B**. If you do so, you will be deemed not to have made a valid election under the Mix and Match Facility and you will be deemed to have accepted the Final Offer with no election under the Mix and Match Facility in respect of the number of Cadbury Shares inserted or deemed to be inserted in Box 1.

##### (1) *To elect for more New Kraft Foods Shares*

If you wish to receive additional New Kraft Foods Shares in place of cash to which you would be entitled under the Final Offer, you must put either “ALL” or the relevant number of Cadbury Shares (which must be a whole number) in respect of which you wish to receive additional New Kraft Foods Shares in Box 2A.

##### (2) *To elect for more cash*

If you wish to receive additional cash in place of the New Kraft Foods Shares to which you would otherwise be entitled under the Final Offer, you must put either “ALL” or the relevant number of Cadbury Shares (which must be a whole number) in respect of which you wish to receive additional cash in Box 2B.

If you make a Mix and Match election in respect of some (but not all) of the Cadbury Shares comprised in your acceptance, you will receive the basic terms of the Final Offer in respect of the balance of your Cadbury Shares.

The invalidity of an election under the Mix and Match Facility will not affect the validity of an acceptance of the Final Offer.

**(3) To make an election for US dollars**

To make an election to receive all of your cash consideration in US dollars instead of pounds sterling, you must first accept the Final Offer in accordance with the instructions set out in paragraph 1.1.1(a) above. Having done so, you must then put “YES” in Box 3. You may not elect to receive payment of your cash consideration in a mixture of US dollars and pounds sterling. If you put “YES” in Box 3 you will receive the whole of your cash consideration (including any additional cash to which you may become entitled under the Mix and Match Facility) in US dollars. Please note that any fluctuation in the US dollar/pound sterling exchange rate will be at your own risk.

The invalidity of a US dollar election will not affect the validity of an acceptance of the Final Offer.

**1.1.2 Return of the blue Final Form of Acceptance**

The completed, signed and (where required) witnessed blue Final Form of Acceptance should be returned by post or by hand (during normal business hours) to Computershare Investor Services PLC, 2nd Floor, Vintners’ Place, 68 Upper Thames Street, London EC4V 3BJ together (subject to paragraph 1.1.3 below) with the relevant share certificate(s) and/or other document(s) of title, as soon as possible and, in any event, so as to be received **not later than 1.00 p.m. (London time) on 2 February 2010**. A reply-paid envelope is enclosed for your convenience. No acknowledgement of receipt of documents will be given.

Any blue Final Form of Acceptance received in an envelope post-marked in any Restricted Jurisdiction, or which otherwise appears to Kraft Foods or its agents to have been sent from a Restricted Jurisdiction, may render a purported acceptance of the Final Offer invalid.

**1.1.3 Share certificates not readily available or lost**

A completed, signed and (where required) witnessed blue Final Form of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If for any reason the relevant share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, you should nevertheless complete, sign and lodge the blue Final Form of Acceptance as stated above so as to be received by Computershare Investor Services PLC by post or by hand (during normal business hours) at 2nd Floor, Vintners’ Place, 68 Upper Thames Street, London EC4V 3BJ not later than 1.00 p.m. (London time) on 2 February 2010. You should send with the blue Final Form of Acceptance any share certificate(s) and/or other document(s) of title which you may have available, accompanied by a letter stating that the remaining documents will follow as soon as possible or that you have lost one or more of your share certificate(s) and/or other document(s) of title. You should then arrange for the relevant share certificate(s) and/or other document(s) of title to be forwarded to the Receiving Agent as soon as possible.

If you have lost your share certificate(s) and/or other document(s) of title, you should write as soon as possible to Cadbury’s registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, requesting a letter of indemnity for the lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned by post or by hand (during normal business hours) to Computershare Investor Services PLC, as the Receiving Agent, at 2nd Floor, Vintners’ Place, 68 Upper Thames Street, London EC4V 3BJ.

## 1.2 Cadbury Shares held in uncertificated form (that is, in CREST)

### 1.2.1 General

To accept the Final Offer you must take (or procure the taking of) the action set out below to transfer the Cadbury Shares in respect of which you wish to accept the Final Offer to the appropriate escrow balance(s), specifying Computershare Investor Services PLC (in its capacity as a CREST participant under the Escrow Agent's participant ID referred to below) as the Escrow Agent, as soon as possible **and in any event so that the TTE Instruction settles not later than 1.00 p.m. (London time) on 2 February 2010.**

The input and settlement of a TTE Instruction in accordance with this paragraph 1.2.1 will (subject to satisfying the requirements set out in Parts B and D of Appendix I) constitute an acceptance of the Final Offer in respect of the number of Cadbury Shares so transferred to escrow.

A summary of the key details to be included in a TTE Instruction to accept the Final Offer is set out in the following table. Please also refer to the referenced paragraphs of this Section A of Part 2 for more detailed information.

A reference in this Section A of Part 2 to accepting the Final Offer "on its basic terms" means accepting the Final Offer without making an election under the Mix and Match Facility.

Escrow Agent's participant ID: 3RA34

ISIN No. of Cadbury Shares: GB00B2PF6M70

<u>Terms of Offer to be accepted</u>	<u>Escrow Agent's member account ID</u>	<u>Refer to following paragraph below</u>
Final Offer on its basic terms	CADGBP01	1.2.2
+ election for cash in US\$	CADUSD01	1.2.2
+ Mix and Match Facility election: more shares	CADGBP02	1.2.3(a)
+ Mix and Match Facility election: more shares + election for cash in US\$	CADUSD02	1.2.3(a)
+ Mix and Match Facility election: more cash	CADGBP03	1.2.3(b)
+ Mix and Match Facility election: more cash + election for cash in US\$	CADUSD03	1.2.3(b)

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Only your CREST sponsor will be able to send the TTE Instructions(s) to Euroclear in relation to your Cadbury Shares.

Cadbury Shareholders who hold Cadbury Shares through one or more intermediaries, such as a stockbroker, custodian bank or clearing system, should confirm the instruction deadline which the intermediaries have established to accept the Final Offer on their behalf. The custodian bank or stockbroker may set an earlier deadline for receiving instructions from Cadbury Shareholders in order to permit the custodian bank or stockbroker to communicate acceptances to the Receiving Agent in a timely manner. **In order for acceptances to count towards the Acceptance Condition, Cadbury Shareholders may need to take action well in advance of the announced deadline for acceptance.**

### 1.2.2 To accept the Final Offer with no Mix and Match Election (i.e. on its basic terms)

To accept the Final Offer without making an election under the Mix and Match Facility in respect of some or all of your Cadbury Shares (whether or not you make an election to receive your cash consideration in US dollars), you must send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear a Basic Final Offer TTE Instruction in relation to such shares. A Basic Final Offer TTE Instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following details:

- the ISIN number for the Cadbury Shares. This is GB00B2PF6M70;
- the number of Cadbury Shares in respect of which you wish to accept the Final Offer on its basic terms (i.e. the number of Cadbury Shares to be transferred to escrow);

- your member account ID;
- your participant ID;
- the participant ID of the Escrow Agent. This is 3RA34;
- the member account ID of the Escrow Agent for the Final Offer. This is CADGBP01 (or CADUSD01 if you are making a specific election to receive your cash consideration in US dollars);
- the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. (London time) on 2 February 2010;
- the corporate action number of the Final Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- input with a standard delivery instruction priority of 80; and
- a contact name and telephone number in the shared note field.

### 1.2.3 To accept the Final Offer and make an election under the Mix and Match Facility

To accept the Final Offer and make an election under the Mix and Match Facility, you should send (or if you are a CREST sponsored member, procure that your CREST sponsor sends) a Mix and Match TTE Instruction (but not a Basic Final Offer TTE Instruction) to Euroclear in relation to such shares, in accordance with EITHER paragraph (a) OR paragraph (b) below.

#### (a) To elect for more New Kraft Foods Shares:

You should adopt the same procedures as apply in respect of a Basic Final Offer TTE Instruction, but with the following variations:

- in the field relating to the number of Cadbury Shares to be transferred to escrow, you should insert the number of shares in respect of which you wish to make an election under the Mix and Match Facility for New Kraft Foods Shares only; and
- the member account ID of the Escrow Agent for such election is CADGBP02 (or CADUSD02 if you are making a specific election to receive any cash consideration (as a result of your election for New Kraft Foods Shares only not being satisfied in full) in US dollars).

#### (b) To elect for more cash:

You should adopt the same procedures as apply in respect of a Basic Final Offer TTE Instruction, but with the following variations:

- in the field relating to the number of Cadbury Shares to be transferred to escrow, you should insert the number of shares in respect of which you wish to make an election under the Mix and Match Facility for cash only; and
- the member account ID of the Escrow Agent for such election is CADGBP03 (or CADUSD03 if you are making a specific election to receive any cash consideration in US dollars).

If you make a Mix and Match election in respect of some (but not all) of your Cadbury Shares, you will need to send (or procure the sending of) a Basic Final Offer TTE Instruction in respect of the balance of your Cadbury Shares in order to receive the basic terms of the Final Offer in respect of such balance of your Cadbury Shares.

You cannot indicate that you would like to receive additional New Kraft Foods Shares **and** additional cash. If you do so, you will be deemed not to have made a valid election under the Mix and Match Facility.

### 1.2.4 Validity of acceptances

Holders of Cadbury Shares in uncertificated form who wish to accept the Final Offer should note that a TTE Instruction will only be a valid acceptance of the Final Offer if it has settled on or before 1.00 p.m. (London time) on 2 February 2010.

### **1.3 Deposits of Cadbury Shares into, and withdrawals of Cadbury Shares from, CREST**

Normal CREST procedures (including timings) apply in relation to any Cadbury Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Final Offer (whether any such conversion arises as a result of a transfer of Cadbury Shares or otherwise). Holders of Cadbury Shares who are proposing so to convert any such shares should ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Final Offer (in particular, as regards delivery of share certificate(s) and/or other documents of title or transfers to an escrow balance as described above) prior to 1.00 p.m. (London time) on 2 February 2010.

### **1.4 Alteration of arrangements**

Kraft Foods will make an appropriate announcement if any of the arrangements contained in this paragraph 1 alter for any reason in any respect that is material to Cadbury Shareholders.

## **2. RIGHTS OF WITHDRAWAL**

The Final Offer is subject to all applicable US tender offer rules, other than those for which an exemption has been provided in the US Securities Exchange Act. This has necessitated a number of changes from the procedures which normally apply to offers for companies governed by the Takeover Code, including those applicable to the rights of Cadbury Shareholders to withdraw their acceptances of the Final Offer.

Under the Final Offer, each Cadbury Shareholder is able to withdraw its acceptance of the Final Offer at any time during the Initial Offer Period but will not have any withdrawal rights during the Subsequent Offer Period except in limited circumstances (see paragraph 4 of Part B of Appendix I).

The Final Offer will be deemed not to have been validly accepted in respect of any Cadbury Shares in respect of which acceptances have been validly withdrawn. However, the Final Offer may be accepted again in respect of any withdrawn Cadbury Shares by following one of the procedures described in paragraph 1 of this Section A of Part 2 at any time prior to expiry or lapse of the Final Offer.

## **3. NEW KRAFT FOODS SHARES**

### **3.1 Issue of New Kraft Foods Shares**

The New Kraft Foods Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Kraft Foods Shares issued and outstanding at the time the New Kraft Foods Shares are issued in connection with the Final Offer, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the date on which the New Kraft Foods Shares are issued to accepting Cadbury Shareholders in accordance with the settlement terms described in paragraph 5 of this Section A of Part 2.

Further information on the New Kraft Foods Shares is set out in paragraph 1 of Section E of Part 2 of the Original Offer Document.

### **3.2 Fractions**

Fractions of New Kraft Foods Shares will not be allotted or issued to Cadbury Shareholders who accept the Final Offer (including such holders who are deemed to accept the Final Offer) but will be aggregated and sold in the market and the net proceeds of sale distributed *pro rata* to Cadbury Shareholders entitled thereto.

## **4. KRAFT FOODS CDIs**

### **4.1 Issue of Kraft Foods CDIs**

Unlike Cadbury Shares, Kraft Foods Shares are not capable of being held, transferred or settled through the usual UK settlement systems such as CREST.

In addition, Cadbury Shareholders who currently hold their Cadbury Shares in certificated form (that is, they hold a share certificate) may find holding and trading the New Kraft Foods Shares directly involves a number of formalities that will be unfamiliar for UK and certain other investors. Dealing with a transfer agent (the equivalent of a registrar in the UK) in a different jurisdiction and time zone may also prove inconvenient in certain circumstances.

For these reasons, accepting Cadbury Shareholders (other than those who hold their Cadbury Shares in certificated form and have a registered address in the US or in any other CSN Restricted Jurisdiction) will not be issued with New Kraft Foods Shares directly but will be issued with Kraft Foods CDIs (as explained in more detail below).

The Kraft Foods CDI arrangements do not affect the economic rights attached to the New Kraft Foods Shares. However, while the holders of Kraft Foods CDIs will have an entitlement to the underlying New Kraft Foods Shares, they will not be the registered holders of those shares.

New Kraft Foods Shares to which Cadbury Shareholders (other than those who hold their Cadbury Shares in certificated form and have a registered address in the US or in any other CSN Restricted Jurisdiction) will be entitled under the Final Offer will be delivered, held and settled in CREST by means of the CREST International Settlement Links Service, and, in particular, CREST's established link with DTC, the US settlement and clearance system. This link operates via the services of CREST International Nominees, which is a participant in DTC.

Under the CREST International Settlement Links Services, CREST Depository Limited, a subsidiary of Euroclear, issues dematerialised depository interests representing entitlements to non-UK securities (such as New Kraft Foods Shares) called CDIs. CDIs may be held, transferred and settled exclusively through CREST.

The terms on which CDIs are issued and held in CREST are set out in the CREST manual issued by Euroclear (and, in particular, the deed poll set out in the CREST International Manual) and the CREST Terms and Conditions issued by Euroclear.

At the time of Settlement, Kraft Foods will instruct its transfer agent to credit the New Kraft Foods Shares through DTC to the securities deposit account of CREST International Nominee, as nominee for CREST Depository Limited. CREST Depository Limited will then issue the Kraft Foods CDIs through CREST to the Receiving Agent for delivery, in the case of Uncertificated Holders, to the securities deposit account in CREST in which each such Uncertificated Holder previously held Cadbury Shares or, in the case of Certificated Holders, to the Corporate Nominee, in its capacity as nominee for the Certificated Holders (as described in paragraph 4.2 below).

A custody fee, as determined by CREST from time to time, is charged at the user level for the use of Kraft Foods CDIs. Kraft Foods will procure that this fee will not be charged to Certificated Holders whose Kraft Foods CDIs are held on their behalf through the CSN Facility (as described in paragraph 4.2 below).

#### **4.2 Corporate sponsored nominee for Certificated Holders**

As the Kraft Foods CDIs can only be held through CREST, Kraft Foods will arrange for the Corporate Nominee to act as a corporate sponsored nominee for Certificated Holders pursuant to which the Corporate Nominee will hold Kraft Foods CDIs on behalf of all Certificated Holders. The detailed provisions of these nominee arrangements are set out in an agreement between Kraft Foods and the Corporate Nominee and include the terms and conditions on which the CSN Facility will be provided by the Corporate Nominee to Certificated Holders.

The CSN Facility will not be made available to any accepting Cadbury Shareholder who holds his Cadbury Shares in certificated form and who has a registered address in the US or in any other CSN Restricted Jurisdiction (any such persons are referred to paragraph 4.3 below).

Certificated Holders will be sent a Statement of Ownership (setting out their Kraft Foods CDI entitlements), in accordance with the settlement arrangements set out in paragraph 5 of this Section A of Part 2, and at least annually thereafter. They will also be sent a booklet with the Statement of Ownership describing the terms and conditions on which the Corporate Nominee provides them with the CSN Facility. In addition, a copy of the terms and conditions of the CSN Facility are being made available on the Kraft Foods website at [www.transactioninfo.com/kraftfoods](http://www.transactioninfo.com/kraftfoods).

The CSN Facility will include a dealing facility pursuant to which participants will be able to deal in the Kraft Foods CDIs being held on their behalf by the Corporate Nominee.

#### **4.3 Accepting Cadbury Shareholders who will not receive Kraft Foods CDIs**

The ability to participate in the CSN Facility may be restricted or made onerous by law in certain jurisdictions. Accordingly, any accepting Cadbury Shareholder who holds his Cadbury Shares in certificated form and who has a registered address in the US or in any other CSN Restricted Jurisdiction will not be entitled to participate in the CSN Facility and will be issued instead with a book-entry account statement reflecting his ownership of New Kraft Foods Shares through Kraft Foods' Direct Registration System (the "DRS").

A list of jurisdictions where the CSN Facility will be made available is set out in the definition of "CSN Permitted Jurisdiction" in Appendix V.

The Kraft Foods DRS is a method of recording entitlement to Kraft Foods Shares in book-entry form, which enables the Kraft Foods transfer agent (the equivalent of a registrar in the UK) to maintain those shares on behalf of the relevant shareholder without the need for a physical share certificate. Entitlement to Kraft Food Shares under the DRS is recorded in a statement of ownership, a copy of which will be sent to the relevant accepting Cadbury Shareholder in accordance with the settlement arrangements set out in paragraph 5 of this Section A of Part 2.

Persons holding Kraft Foods Shares under the DRS will be able to vote at a Kraft Foods Shareholder meeting by either attending in person or by appointing a proxy (by proxy card or on-line).

Kraft Foods will enter into arrangements pursuant to which persons holding Kraft Foods Shares under the DRS who are resident in certain jurisdictions (including Australia and New Zealand) will be able to elect to receive dividends paid on their Kraft Foods Shares in their local currency. The conversion of dividend payments in this way will incur certain charges.

Persons holding Kraft Foods Shares under the DRS may request a share certificate for all or a portion of their DRS book-entry shares at any time by contacting Kraft Foods' transfer agent, Wells Fargo Shareowner Services, at P.O. Box 64874, St Paul, MN 55164-0874, United States of America (tel: +1 800 401 1957).

Persons holding Kraft Foods Shares under the DRS who wish to dispose of their Kraft Foods Shares may do so through Wells Fargo Shareholder Services (including on-line at [www.shareowneronline.com](http://www.shareowneronline.com)).

#### **4.4 Rights attaching to Kraft Foods CDIs**

The registered holder of the New Kraft Foods Shares represented by Kraft Foods CDIs will be Cede & Co, a nominee entity of DTC. The custodian of those New Kraft Foods Shares will be CREST International Nominees, who will hold them through the DTC system as nominee for CREST Depository Limited. CREST Depository Limited will hold those New Kraft Foods Shares on trust (as bare trustee under English law) for the Uncertificated Holders and for the Corporate Nominee (as the CREST member acting as corporate sponsored nominee for the Certificated Holders) to whom it will issue Kraft Foods CDIs.

Accordingly, the holders of Kraft Foods CDIs will only be able to enforce and exercise the rights relating to those New Kraft Foods Shares in accordance with the arrangements described below.

In order to allow the holders of Kraft Foods CDIs to exercise rights relating to the underlying New Kraft Foods Shares, Kraft Foods will enter into arrangements pursuant to which holders of Kraft Foods CDIs (including Certificated Holders who hold their Kraft Foods CDIs through the CSN Facility) will be able to:

- (a) receive notices of general shareholder meetings of Kraft Foods;
- (b) give directions as to voting at general shareholder meetings of Kraft Foods;
- (c) have made available to them and be sent, at their request, copies of the annual report and accounts of Kraft Foods and all other documents issued by Kraft Foods to shareholders of Kraft Foods generally; and

- (d) will otherwise be treated in the same manner as if they were the registered holders of the New Kraft Foods Shares underlying their Kraft Foods CDIs,

in each case in accordance with applicable law and, so far as is possible, in accordance with the CREST arrangements.

Under an agreement for the provision of the CDI register, Euroclear will make a copy of the register of the names and addresses of Kraft Foods CDI holders available to Kraft Foods (and/or its voting agent) to enable Kraft Foods (or its voting agent) to: (a) send out notices of shareholder meetings and proxy forms to its CDI holders; and (b) produce a definitive list of its CDI holders as at the record date for the meeting.

In addition, Cede & Co and Euroclear have omnibus proxy arrangements pursuant to which Crest International Nominees Limited (the custodian of the New Kraft Foods Shares underlying the Kraft Foods CDIs) will be able to grant each Kraft Foods CDI holder the right to vote in respect of such holder's underlying New Kraft Foods Shares. As a result, the custodian and the depositary step out of the voting arrangements and simply pass on any voting rights they have, by virtue of holding the underlying New Kraft Foods Shares, to the Kraft Foods CDI holders.

Under the terms of the CSN Facility, the Corporate Nominee will provide Certificated Holders whose Kraft Foods CDIs are held through the CSN Facility the option to give the Corporate Nominee voting instructions and the Corporate Nominee will reflect those instructions in the proxy granted to it by Euroclear.

Holders of Kraft Foods CDIs (including Certificated Holders whose Kraft Foods CDIs are held through the CSN Facility) are entitled to attend Kraft Foods shareholder meetings in person as a result of their beneficial interest in the New Kraft Foods Shares. If a Certificated Holder whose Kraft Foods CDIs are held through the CSN Facility wishes to attend, speak and vote in person at a Kraft Foods shareholder meeting, the Corporate Nominee will provide that holder with a letter of representation in respect of that holder's Kraft Foods CDIs and such letter will enable the Certificated Holder to attend, speak and vote at the shareholder meeting on behalf of the Corporate Nominee in respect of that holder's underlying interest in the New Kraft Foods Shares.

#### **4.5 Dividends**

Dividends paid on the New Kraft Foods Shares will be paid to holders of Kraft Foods CDIs in the currency in which the relevant holder has elected through CREST to receive such payments. The Corporate Nominee will, so long as CREST continues to provide such services, elect to receive payments in sterling and, accordingly, dividends paid to Certificated Holders in respect of the Kraft Foods CDIs held through the CSN Facility will be paid in sterling. The Corporate Nominee will distribute any such dividends to the Certificated Holders in accordance with the terms of the CSN Facility.

#### **4.6 Transfer and cancellation of Kraft Foods CDIs**

Uncertificated Holders, who hold their Kraft Foods CDIs through CREST, will be able to cancel their Kraft Foods CDIs by settling a cross border delivery transaction in respect of the underlying New Kraft Foods Shares through CREST to a DTC participant, in accordance with the rules and practices of CREST and DTC.

Certificated Holders who wish to hold the New Kraft Foods Shares to which they are entitled under the Offer through an intermediary of their own choosing (who must be a DTC participant) will be able to instruct the Corporate Nominee to transfer that holder's New Kraft Foods Shares as set out above. Details of the manner in which such instructions may be given will be included in the information booklet to be sent to Certificated Shareholders by the Corporate Nominee together with the first Statement of Ownership.

Transaction fees will be payable by a holder of Kraft Foods CDIs who executes a transaction through CREST (including a cancellation of Kraft Foods CDIs). In addition, Certificated Holders whose Kraft Foods CDIs are held through the CSN Facility will be required to pay a fee to the Corporate Nominee in order to effect such a transfer. However, a Certificated Holder who is issued Kraft Foods CDIs pursuant to the Final Offer will not be charged any such fees in respect of a cancellation, provided that the relevant cancellation is effected within six weeks of the Final Offer becoming or being declared wholly unconditional.

Under the CSN Facility, Certificated Holders will be able to deal in Kraft Foods CDIs through the CSN Facility. Any dealings will incur certain charges, the details of which will be set out in the booklet to be sent to Certificated Holders describing the terms and conditions on which the Corporate Nominee provides the CSN Facility. However, a Certificated Holder who is issued Kraft Foods CDIs pursuant to the Final Offer will not be charged any such fees in respect of their first dealing, provided the relevant dealing is effected within six weeks of the Final Offer becoming or being declared wholly unconditional.

A copy of the terms and conditions of the CSN Facility is being made available at [www.transactioninfo.com/kraftfoods](http://www.transactioninfo.com/kraftfoods).

## **5. SETTLEMENT**

### **5.1 Date of settlement**

Subject to the Final Offer becoming or being declared wholly unconditional (and except as provided in paragraphs 7 or 8 of Part B of Appendix I), settlement of the consideration to which any Cadbury Shareholder is entitled under the Final Offer will be effected:

5.1.1 in the case of complete acceptances received by the date on which the Final Offer becomes or is declared wholly unconditional, within 14 calendar days of such date; and

5.1.2 in the case of complete acceptances received after such date but while the Final Offer remains open for acceptance, within 14 calendar days of receipt.

### **5.2 Cadbury Shares in certificated form (that is, not in CREST)**

5.2.1 Cash consideration will be despatched by first class post (or such other method as may be approved by the Panel) to accepting Cadbury Shareholders (but not into any Restricted Jurisdiction). All such cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank, unless a specific election has been made to receive cash consideration in US dollars (see paragraph 9 of Part B of Appendix I).

5.2.2 Certificated Holders (being certificated holders other than referred to in paragraph 4.3 above) will be sent a Statement of Ownership setting out their entitlements to Kraft Foods CDIs which are held by the Corporate Nominee on their behalf. Further information relating to these settlement arrangements is set out in paragraphs 4.1 and 4.2 of this Section A of Part 2.

### **5.3 Cadbury Shares in uncertificated form (that is, in CREST)**

5.3.1 Cash consideration to which the accepting Cadbury Shareholder is entitled will be paid in pounds sterling, unless a specific election has been made to receive cash consideration in US dollars (see paragraph 9 of Part B of Appendix I). This payment will be made by means of a CREST payment in favour of the accepting Cadbury Shareholder's payment bank, in accordance with CREST payment arrangements. Kraft Foods reserves the right to settle all or any part of the consideration in the manner referred to in paragraph 5.2.1 above, if, for any reason, it wishes to do so.

5.3.2 The Receiving Agent will deliver the Kraft Foods CDIs to which the accepting Cadbury Shareholder is entitled to the securities deposit account in CREST in which such shareholder previously held his Cadbury Shares. Further information relating to these settlement arrangements is set out in paragraph 4.1 of this Section A of Part 2.

### **5.4 Direct Registration System statements for Certificated Holders resident in a CSN Restricted Jurisdiction**

Kraft Foods will instruct its transfer agent to send to accepting Cadbury Shareholders who hold their Cadbury Shares in certificated form, but are not entitled to participate in the CSN Facility, book-entry accounts statements reflecting their ownership of New Kraft Foods Shares through the DRS. Further information relating to the DRS is set out in paragraph 4.3 of this Section A of Part 2.

## **6. FINAL OFFER DOES NOT PROCEED AFTER YOU HAVE ACCEPTED**

If the Final Offer does not become or is not declared wholly unconditional:

- 6.1.1 in the case of Cadbury Shares held in certificated form, the relevant Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Panel) within 14 calendar days of the Final Offer lapsing to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in the relevant Form of Acceptance or, if none is set out, to the first-named holder at his or her registered address (provided that no such documents will be sent to an address in a Restricted Jurisdiction); and
- 6.1.2 in the case of Cadbury Shares held in uncertificated form, the Escrow Agent will, immediately after the lapsing of the Final Offer (or within such longer period as the Panel may permit, not exceeding 14 calendar days of the lapsing of the Final Offer), give TFE Instructions to Euroclear to transfer all Cadbury Shares held in escrow balances (and in relation to which it is the Escrow Agent for the purposes of the Final Offer) to the original available balances of the Cadbury Shareholders concerned.

## **7. FINAL OFFER IS REVISED AFTER YOU HAVE ACCEPTED**

The Offer is final and will not be increased, except that Kraft Foods reserves the right to increase the Offer if there is an announcement on or after 19 January 2010 of an offer or a possible offer for Cadbury by a third party offeror or potential offeror. Although no revision of the Final Offer is envisaged, if the Final Offer is revised, Kraft Foods reserves the right to deem valid acceptances received from Cadbury Shareholders before the revision as an acceptance of the revised offer (subject to paragraphs 5 and 8 of Part B of Appendix I).

## SECTION B: FINANCIAL EFFECTS OF ACCEPTANCE OF THE FINAL OFFER

The following table shows certain financial effects for a holder of 100 Cadbury Shares accepting the Final Offer in respect of all of those shares. This table disregards tax. In particular, it disregards the tax consequences of holding Cadbury Shares, New Kraft Foods Shares and the investment of cash consideration, as well as the tax consequences of disposing of Cadbury Shares under the Final Offer. This table is for illustrative purposes only on the bases and assumptions set out in the notes below, assuming that the Final Offer becomes or is declared wholly unconditional and no election is made under the Mix and Match Facility and does not take account of the Special Dividend.

### A. Capital value

	Notes	£
<b>Market value of 100 Cadbury Shares</b>	1	568.00
Cash consideration		500.00
Market value of 18.74 New Kraft Foods Shares	2	340.08
Total value of consideration under the Final Offer		840.08
Increase in capital value		272.08
This represents an increase of approximately		47.90%

### B. Gross income

	Notes	£
<b>Gross dividend income from 100 Cadbury Shares</b>	3	18.00
Gross income from re-investment of cash consideration	4	19.69
Gross dividend income from 18.74 New Kraft Foods Shares	5	13.34
Total gross income from consideration		33.02
Increase in gross income		15.02
This represents an increase of approximately		83.45%

*Notes:*

1. Based on the Closing Price of 568 pence per Cadbury Share on 4 September 2009 (being the last Business Day preceding the announcement by Kraft Foods of a possible offer for Cadbury).
2. Based on the closing share price derived from the NYSE of US\$29.58 per Kraft Foods Share on 15 January 2010 and an exchange rate of US\$1.63 to £1.00 as quoted from WM/Reuters on 18 January 2010.
3. The gross dividend income on Cadbury Shares is based on Cadbury's planned 2009 total dividend of 18.0 pence per share (consisting of a 5.7 pence per share interim 2009 dividend and a planned 12.3 pence per share final dividend, which is subject to board and shareholder approval).
4. The gross interest income on the cash consideration under the Final Offer is calculated on the assumption that the cash is re-invested to yield approximately 3.94% per annum, being the gross redemption yield on UK Government Securities with maturity of 10 years, as published by Bloomberg on 18 January 2010.
5. The gross dividend income from New Kraft Foods Shares is based on Kraft Foods' declared 2009 total dividend of US\$1.16 per share (consisting of a US\$0.29 per share Q1 2009 dividend, a US\$0.29 per share Q2 2009 dividend, a US\$0.29 per share Q3 2009 dividend and a US\$0.29 per share Q4 2009 dividend).

## SECTION C: FURTHER INFORMATION

### 1. BREAK FEE ARRANGEMENTS

Cadbury has agreed to pay an inducement fee of £117.7 million in circumstances where a competing offer is announced and either is recommended by Cadbury or that offer or another third party offer becomes unconditional and the Final Offer lapses or is withdrawn, unless, prior to such announcement, Cadbury withdraws its recommendation for reasons demonstrably unrelated to such competing third party offer.

### 2. FINANCING OF THE CASH CONSIDERATION

Kraft Foods is providing the cash consideration payable by it under the Final Offer from its own resources, funds available from an amended bridge facility that has been arranged by a syndicate of banks and/or proceeds from alternative financing sources. A summary of the amended bridge facility is included in paragraph 8 of Appendix IV to this document.

If it considers it advantageous to do so, Kraft Foods may seek alternative funding in the form of a US dollar, sterling, Euro or another non-US dollar denominated bond issue of an amount up to the amount of cash consideration payable under the Final Offer, together with certain amounts payable in connection with, or arising as a result of, the Final Offer, in lieu of borrowings under the amended bridge facility. Any such issue would comprise senior notes issued on prevailing market terms (including as to margin and fees) on a basis commensurate with Kraft Foods' financial position and credit rating. Any such issue may be made shortly before or after the Final Offer becomes or is declared wholly unconditional and would be expected to result in the amounts available to be drawn under the amended bridge facility being reduced. To the extent that such an issue is denominated in US dollars, it would be offered under Kraft Foods' effective registration statement on Form S-3 filed with the SEC. In addition to the covenants, events of default and other terms set forth in the prospectus included in Kraft Foods' registration statement, Kraft Foods anticipates that any such issue would include a "change of control" covenant substantially identical to the covenant included in its 6.75% Notes due 2014. To the extent that such an issue is denominated in sterling, Euro or another non-US dollar currency, it would be offered on terms which are not materially different to the foregoing. Any bond issue would constitute senior unsecured obligations of Kraft Foods and would rank equally in right of payment with all of its existing and future senior unsecured indebtedness.

Kraft Foods may utilise a portion of Cadbury's cash flow to repay indebtedness incurred in connection with the Final Offer, including payments of interest, but does not intend that security would be granted over Cadbury assets in connection with that indebtedness.

Lazard & Co., Limited, Centerview Partners UK LLP, Citigroup Global Markets Limited and Deutsche Bank AG, London Branch are satisfied that sufficient resources are available to Kraft Foods to satisfy in full the cash consideration payable by it as a result of full acceptance of the Final Offer.

### 3. COMPULSORY ACQUISITION, DELISTING AND RE-REGISTRATION

If the Final Offer becomes or is declared wholly unconditional, it is the intention of Kraft Foods, assuming it becomes so entitled, to acquire compulsorily any outstanding Cadbury Shares (including any Cadbury Shares represented by Cadbury ADSs) pursuant to the provisions of the 2006 Act.

Following the Final Offer becoming or being declared wholly unconditional and sufficient acceptances being received, Kraft Foods intends to procure that Cadbury will apply for the cancellation of the listing of the Cadbury Shares on the Official List and trading on the London Stock Exchange for listed securities. Delisting is likely to reduce significantly the liquidity and marketability of any Cadbury Shares in respect of which the Final Offer has not been accepted.

A notice period of not less than 20 Business Days prior to the delisting will commence either on Kraft Foods having acquired or agreed to acquire Cadbury Shares representing at least 75% of the voting rights of Cadbury or on the date that Kraft Foods first issues its compulsory acquisition notices.

It is also proposed that, after the Cadbury Shares are delisted, Cadbury will be re-registered as a private company.

#### 4. CADBURY SHARE SCHEMES

The Final Offer extends to any Cadbury Shares unconditionally allotted or issued before the Final Offer closes (or such earlier time as Kraft Foods may, subject to the rules of the Takeover Code, decide) as a result of the exercise of options or vesting of awards granted under any of the Cadbury Share Schemes.

Appropriate proposals will be made in due course to holders of options and awards granted under the Cadbury Share Schemes.

The benefit of Cadbury's Special Dividend of 10 pence per share will be extended to participants in the Cadbury Share Schemes.

#### 5. ADDITIONAL INFORMATION

##### *General*

You should read this document and the Original Offer Document in full before deciding whether to accept the Final Offer. In particular, your attention is drawn to the following:

In the Original Offer Document:

- information on the nature of Kraft Foods' business and its financial and trading prospects contained in paragraphs 10 and 5 (respectively) of Part 1;
- information on Kraft Foods' intentions regarding the employees, management, assets and future business of Cadbury contained in paragraph 12 of Part 1;
- further information on (including details of the rights attaching to) the New Kraft Foods Shares contained in Section E of Part 2;
- Conditions contained in Part A of Appendix I;
- financial information on Kraft Foods contained in Appendix II;
- financial information on Cadbury contained in Appendix III;
- Kraft Foods Profit Forecast incorporating guidance on Kraft Foods' discretionary cash flow for the year ended 31 December 2009, and the associated reports of PricewaterhouseCoopers LLP and the Financial Advisers contained within Appendix IV;
- cost savings and synergies statements, and associated reports of Ernst & Young LLP and Lazard & Co., Limited contained in Appendix V;
- additional information contained in Appendix VII, which includes, among other things, certain interests and dealings information required by the Takeover Code and information on the material contracts of the Kraft Foods Group;

In this document:

- the further terms of the Final Offer contained in Part B of Appendix I;
- the Kraft Foods Profit Estimate and the associated reports of PricewaterhouseCoopers LLP and the Financial Advisers contained in Appendix II;
- the sources of information and bases of calculation contained in Appendix III; and
- the additional information contained in Appendix IV, which includes, among other things, the identity of the Kraft Foods Directors and Cadbury Directors, certain interests and dealings information required by the Takeover Code and a general guide to certain UK tax consequences for UK tax resident Cadbury Shareholders.

This document should also be read in conjunction with the Prospectus and the Supplementary Prospectuses which contain further information on the Kraft Foods Group and the New Kraft Foods Shares. In particular, you should read the section entitled "*Risk Factors*" in the Prospectus.

##### *Announcements of 5 January 2010*

On 5 January 2010, Kraft Foods announced a definitive agreement to sell the assets of its North American pizza business to Nestlé for a total consideration of US\$3.7 billion. The sale is subject to customary conditions, including regulatory clearances, and is expected to close in 2010.

On the same day, Kraft Foods announced that it would use an amount equivalent to the full net proceeds from the sale (less taxes and deleveraging to maintain its investment grade credit rating) to fund a 60 pence per Cadbury Share partial cash alternative. This 60 pence per Cadbury Share partial cash alternative has now been subsumed by the Final Offer.

## APPENDIX I: CONDITIONS AND FURTHER TERMS OF THE FINAL OFFER

The terms of the Offer by Kraft Foods dated 4 December 2009 to acquire the entire issued and to be issued share capital of Cadbury shares (including those represented by Cadbury ADSs) have been revised.

### Part A: Conditions of the Final Offer

Kraft Foods announced on 19 January 2010 that it reserves the right to, and intends to, reduce the number of acceptances required to fulfil the Acceptance Condition from 90% to 50% plus one Cadbury Share on or after 26 January 2010.

If the Acceptance Condition is satisfied and all other Conditions have been satisfied, fulfilled or, to the extent permitted, waived, the Offer will be declared wholly unconditional at that time and withdrawal rights will terminate (except in limited circumstances). Cadbury Securityholders who have already accepted the Offer, but whose willingness to accept the Offer is affected by the reduction of the Acceptance Condition, may wish to consider withdrawing their acceptances with respect to such Cadbury Shares promptly.

Conditions 1(e) (*European Commission Clearance*) and 1(f) (*United States Hart-Scott-Rodino Clearance*) in Part A of Appendix I to the Original Offer Document have now been satisfied following the Kraft Foods announcement on 15 December 2009 that the US competition condition had been satisfied and the European Commission announcement on 6 January 2010 that it had cleared the Final Offer under the Regulation (subject to certain divestments).

The issue of Kraft Foods Shares pursuant to the Final Offer does not require the approval of Kraft Foods Shareholders. Accordingly, condition 1(b) (*Approval of Kraft Foods Shareholders*) in Part A of Appendix I to the Original Offer Document is treated as satisfied for the purposes of the Final Offer.

The Final Offer otherwise remains subject to the terms and conditions as set out in Part A of Appendix I to the Original Offer Document, which shall be deemed to be incorporated in and form part of this document.

### Part B: Further Terms of the Final Offer

The terms of the Original Offer are no longer capable of acceptance. The terms of the Final Offer supersede those of the Original Offer.

The Final Offer is a revision of the Original Offer and shall be construed accordingly.

The Final Offer is final and will not be increased, except that Kraft Foods reserves the right to increase the Final Offer if there is an announcement on or after 19 January 2010 of an offer or a possible offer by a third party offeror or potential offeror.

The Final Offer shall remain open for acceptance until 1.00 p.m. (London time) on 2 February 2010 (or such later date as Kraft Foods may determine, in accordance with the Takeover Code and the US tender offer rules or otherwise with the consent of the Panel).

The following further terms apply to the Final Offer. These further terms are as set out in the Original Offer Document, except to the extent that they have been revised to take account of the exercise of certain discretions reserved by Kraft Foods under the further terms set out in the Original Offer Document (such as the reduction of the Acceptance Condition and confirmation that the Mix and Match Facility will now remain open throughout the Subsequent Offer Period).

The following further terms apply, unless the context requires otherwise, to the Final Offer. Unless the context requires otherwise, any reference in this document and in the Acceptance Forms to:

- (i) “**acceptances of the Final Offer**” includes deemed acceptances of the Final Offer;
- (ii) the Final Offer “**becoming wholly unconditional**” means the Final Offer being or becoming or being declared wholly unconditional;
- (iii) an “**extension of the Final Offer**” shall include a reference to an extension of the date by which the Acceptance Condition has to be fulfilled;
- (iv) “**Day 39**” shall mean 12 January 2010;

- (v) “**Day 46**” shall mean 19 January 2010;
- (vi) “**Day 60**” shall mean 2 February 2010; and
- (vii) “**Day 70**” shall mean 12 February 2010.

#### 1. **Acceptance Period**

- (a) The Final Offer is open for acceptance until 1.00 p.m. (London time) on 2 February 2010. Kraft Foods reserves the right (but will not be obliged, other than as may be required by the Takeover Code or the US tender offer rules) at any time or from time to time to extend the Final Offer after such time and, in such event, will make a public announcement of such extension in the manner described in paragraph 3(a) of Part B of this Appendix I below and give oral or written notice of such extension to the Receiving Agent and the US Exchange Agent.
- (b) Although no revision is contemplated, if Kraft Foods revises the Final Offer, it will remain open for acceptance for a period of at least 14 calendar days (or such other period as may be permitted by the Panel and in accordance with the US tender offer rules) after the date on which Kraft Foods publishes and/or files, as applicable the revised offer documentation. Except with the consent of the Panel, Kraft Foods may not revise the Final Offer or publish and/or file any revised offer documentation after Day 46 or, if later, the date which is 14 calendar days before the last date on which the Final Offer can become wholly unconditional.
- (c) The Final Offer, whether revised or not, shall not (except with the consent of the Panel) be capable of becoming wholly unconditional, and accordingly the Initial Offer Period is not (except with the consent of the Panel) capable of being extended, after midnight (London time) on Day 60 (or any other time or date beyond which Kraft Foods has stated that the Final Offer will not be extended and has not, where permitted, withdrawn that statement) nor of being kept open for acceptance after that time and/or date unless the Final Offer has previously become wholly unconditional. If the Conditions are not satisfied, fulfilled or, to the extent permitted, waived by 1.00 p.m. (London time) on Day 60 (in the case of all Conditions other than the Acceptance Condition) or midnight (London time) on Day 60 (in the case of the Acceptance Condition) or by any later time and/or date to which the Initial Offer Period has been extended, the Final Offer will lapse in the absence of a competing bid and/or unless the Panel agrees otherwise. If the Final Offer lapses for any reason, the Final Offer shall cease to be capable of further acceptance and Kraft Foods and Cadbury Securityholders shall cease to be bound by prior acceptances. Kraft Foods reserves the right, subject to the consent of the Panel, to extend the time allowed under the rules of the Takeover Code for satisfaction of the Acceptance Condition and accordingly for the satisfaction, fulfilment or, where permitted, waiver of the other Conditions, and thus to extend the duration of the Initial Offer Period.
- (d) If the Final Offer becomes wholly unconditional, it will remain open for the Subsequent Offer Period, which shall be not less than 14 calendar days from the end of the Initial Offer Period. If the Final Offer becomes wholly unconditional and it is stated by or on behalf of Kraft Foods that the Final Offer will remain open until further notice or if the Final Offer will remain open for acceptance beyond Day 70, then not less than 14 calendar days’ written notice will be given by or on behalf of Kraft Foods to Cadbury Securityholders who have not accepted the Final Offer prior to the closing of the Subsequent Offer Period.
- (e) If a competitive situation arises (as determined by the Panel) after a “no increase” and/or “no extension” statement (as referred to in the Takeover Code) has been made by or on behalf of Kraft Foods in relation to the Final Offer, Kraft Foods may, if it specifically reserved the right to do so at the time the statement was made (or otherwise with the consent of the Panel), choose not to be bound by or withdraw the statement and extend or revise the Final Offer provided that it complies with the requirements of the Takeover Code and the US tender offer rules and, in particular, that:
  - (i) it announces the withdrawal and that it is free to extend or revise the Final Offer (as appropriate) as soon as possible and in any event within four Business Days after the date of the firm announcement of the competing offer or other competitive situation; and
  - (ii) it notifies Cadbury Securityholders and persons with information rights at the earliest practicable opportunity in writing (and by press release in the United States on, among others, PR Newswire) to that effect or, in the case of Cadbury Shareholders with registered addresses in Restricted Jurisdictions or whom Kraft Foods reasonably believes to be nominees, custodians or trustees holding Cadbury Shares for such persons, by announcement in the UK.

- (f) If Cadbury publishes material new information of the kind referred to in Rule 31.9 of the Takeover Code after Day 39, Kraft Foods may choose not to be bound by a “no increase” and/or “no extension” statement if it specifically reserved the right to do so at the time such statement was made (or otherwise with the consent of the Panel) and to be free to extend or revise the Final Offer if permitted by the Panel, provided that:
- (i) it announces the withdrawal and that it is free to extend or revise the Final Offer (as appropriate) as soon as possible and in any event within four Business Days after the date of publication by Cadbury; and
  - (ii) it notifies Cadbury Securityholders and persons with information rights at the earliest practicable opportunity in writing (and by press release in the United States on, among others, PR Newswire) to that effect or, in the case of Cadbury Shareholders with registered addresses in Restricted Jurisdictions or whom Kraft Foods reasonably believes to be nominees, custodians or trustees holding Cadbury Shares for such persons, by announcement in the UK.
- (g) Kraft Foods may, if it specifically reserved the right to do so at the time the statement was made (or otherwise with the consent of the Panel), choose not to be bound by the terms of a “no increase” and/or “no extension” statement and may publish an increased or improved offer if it is recommended for acceptance by the board of directors of Cadbury or in any other circumstance permitted by the Panel.
- (h) If a competitive situation arises (as determined by the Panel) and is continuing on the Business Day preceding Day 60, Kraft Foods will enable holders of Cadbury Shares in uncertificated form, who have not already validly accepted the Final Offer but who have previously accepted a competing offer, to accept the Final Offer by a special form of acceptance to take effect on Day 60. The special form of acceptance shall constitute a valid acceptance of the Final Offer provided that (i) it is received by the Receiving Agent or the US Exchange Agent (as the case may be) on or before Day 60; (ii) the relevant Cadbury Shareholder shall have applied to withdraw his acceptance of the competing offer but that the Cadbury Shares to which such withdrawal relates shall not have been released from escrow by the Escrow Agent to the competing offer before Day 60; and (iii) the Cadbury Shares to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in this document on or before Day 60, but an undertaking is given that they will be so transferred as soon as possible thereafter. Cadbury Shareholders wishing to use such special forms of acceptance should apply to (as applicable) the Receiving Agent on 0870 889 3144 between 9.00 a.m. and 5.30 p.m. (London time) or the US Information Agent on +1 212 806 6859 between 9.00 a.m. and 5.30 p.m. (New York time), in each case, on the Business Day preceding Day 60 in order that such forms can be despatched. Notwithstanding the right to use such a special form for acceptance, holders of Cadbury Shares in uncertificated form may not use a Form of Acceptance (or any other purported acceptance form) for the purpose of accepting the Final Offer or making an election under the Mix and Match Facility in respect of such shares. The above provisions apply equally to Cadbury ADSs.

## 2. Acceptance Condition

- (a) Except with the consent of the Panel, for the purpose of determining at any particular time whether the Acceptance Condition is satisfied, Kraft Foods may only take into account acceptances received or purchases of Cadbury Shares (including those represented by Cadbury ADSs) made in respect of which all relevant Acceptance Forms, TTE Instructions and/or Agent’s Messages are received by the Receiving Agent or the US Exchange Agent (as the case may be):
- (i) by 1.00 p.m. (London time) on Day 60 (or any other date beyond which Kraft Foods has stated that it will not extend the Final Offer, and Kraft Foods has not withdrawn that statement); or
  - (ii) if the Final Offer is extended with the consent of the Panel, such later time(s) or date(s) as the Panel may agree.

If the latest time at which the Final Offer may become wholly unconditional is extended beyond midnight (London time) on Day 60, so that the Initial Offer Period is accordingly extended, acceptances received in respect of which the relevant Acceptance Forms, TTE Instruction and/or Agent’s Messages are received by the Receiving Agent or the US Exchange Agent after 1.00 p.m. (London time) on that date may only be taken into account with the agreement of the Panel (except where the Takeover Code permits otherwise).

- (b) Except as otherwise agreed by the Panel:
- (i) an acceptance of the Final Offer will only be counted towards fulfilling the Acceptance Condition if the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the Takeover Code are satisfied in respect of it;
  - (ii) a purchase of Cadbury Shares by Kraft Foods or its nominee(s) or (if Kraft Foods is required by the Panel to make an offer for Cadbury Shares under Rule 9 of the Takeover Code) by a person acting in concert with Kraft Foods or its nominee(s), will only be counted towards fulfilling the Acceptance Condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the Takeover Code are satisfied in respect of it;
  - (iii) Cadbury Shares that have been borrowed by Kraft Foods may not be counted towards fulfilling the Acceptance Condition; and
  - (iv) before the Final Offer may become wholly unconditional, the Receiving Agent shall issue a certificate to Kraft Foods and/or the Financial Advisers (or their respective agents) that states the number of Cadbury Shares in respect of which acceptances have been received and not validly withdrawn, and the number of Cadbury Shares otherwise acquired, whether before or during the Offer Period, which comply with the provisions of this paragraph 2 of Part B of this Appendix I. A copy of the certificate will be sent to the Panel as soon as possible after it is issued.
- (c) For the purpose of determining at any particular time whether the Acceptance Condition is satisfied, Kraft Foods is not bound (unless required by the Panel) to take into account any Cadbury Shares that have been unconditionally allotted or issued or that arise as a result of the exercise of conversion rights before the determination takes place unless Cadbury or its agent has given written notice to Kraft Foods or the Receiving Agent at 2nd Floor, Vintners' Place, 68 Upper Thames Street, London EC4V 3BJ on behalf of Kraft Foods containing relevant details of the allotment, issue or conversion. Notification by e-mail, telex, facsimile or other electronic transmission does not constitute written notice for this purpose.
- (d) In accordance with applicable SEC rules, at least five US Business Days prior to any reduction in the percentage of Cadbury Shares required to satisfy the Acceptance Condition, Kraft Foods will announce that it is reserving its right so to reduce the Acceptance Condition. Such announcement will state the exact percentage to which the Acceptance Condition may be reduced, will state that such a reduction is possible but that Kraft Foods need not disclose its actual intentions until it is required to do so under the Takeover Code and will contain language advising Cadbury Securityholders to withdraw their acceptances if their willingness to accept the Final Offer would be affected by the reduction of the Acceptance Condition. Kraft Foods will not make such an announcement unless it believes that there is a significant possibility that a sufficient number of acceptances will be received to permit the Acceptance Condition to be satisfied at such reduced level and that the other Conditions will be satisfied, fulfilled or, to the extent permitted, waived at such time. Cadbury Securityholders who are not willing to accept the Final Offer if the percentage level is reduced to a level lower than 90% should be prepared to withdraw their acceptances promptly following Kraft Foods' announcement that it is reserving its right to reduce the Acceptance Condition. Upon Kraft Foods' announcement that it may reduce the percentage of Cadbury Shares required to satisfy the Acceptance Condition, the Final Offer shall not be capable of becoming wholly unconditional until at least five US Business Days have elapsed. Cadbury Securityholders will be able to accept the Final Offer for at least five US Business Days after a reduction in the Acceptance Condition either during the Initial Offer Period or the Subsequent Offer Period. If Kraft Foods states that the Final Offer will remain open until further notice, Kraft Foods will give not less than 14 calendar days notice in writing to Cadbury Securityholders who have not accepted the Final Offer before closing the Subsequent Offer Period.

### 3. **Announcements**

- (a) Without prejudice to paragraph 4(c) of Part B of this Appendix I, by 8.00 a.m. (London time) on the earlier of the next Business Day or the next US Business Day (the "relevant day") following the day on which the Final Offer is due to expire or becomes wholly unconditional, or is revised or extended (or such later time(s) or date(s) as the Panel may agree), Kraft Foods will make an appropriate announcement. The announcement will state (unless otherwise permitted by the Panel):
- (i) the total number of Cadbury Shares (including those represented by Cadbury ADSs) for which acceptances of the Final Offer have been received, specifying the extent, if any, to which such

acceptances have been received (I) from any person(s) acting or deemed to be acting in concert with Kraft Foods for the purposes of the Final Offer and (II) that were the subject of an irrevocable commitment or letter of intent procured by Kraft Foods or any of its associates (as defined in the Takeover Code);

- (ii) details of any Cadbury relevant securities in which Kraft Foods or any person acting in concert with it has an interest or in respect of which it has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions over Cadbury relevant securities held by Kraft Foods or any person acting in concert with it (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, will also be stated;
- (iii) details of any Cadbury relevant securities in respect of which Kraft Foods or any of its associates (as defined in the Takeover Code) has an outstanding irrevocable commitment or letter of intent; and
- (iv) details of any Cadbury relevant securities which Kraft Foods or any person acting in concert with it has borrowed or lent, except for any borrowed shares which have been either on-lent or sold,

and will specify the percentages of each class of Cadbury relevant securities represented by these figures. The announcement will include a statement of the total number of Cadbury Shares (including those represented by Cadbury ADSs) which Kraft Foods may count towards the satisfaction of the Acceptance Condition and the percentage of Cadbury Shares (including those represented by Cadbury ADSs) represented by this figure.

- (b) Except as otherwise agreed by the Panel, in computing the number of Cadbury Shares (including those represented by Cadbury ADSs) represented by acceptances and/or purchases for the announcement, an acceptance or purchase will only be counted towards fulfilling the Acceptance Condition if the requirements of Notes 4, 5 and 6 (as applicable) on Rule 10 of the Takeover Code are satisfied. Subject to this, Kraft Foods may include or exclude, for announcement purposes, acceptances and purchases not in all respects in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title and/or not accompanied by the relevant TTE Instruction or Agent's Message or which are subject to verification.
- (c) Any decision to extend the time and/or date by which the Acceptance Condition has to be fulfilled may be made at any time up to, and will be announced by 8.00 a.m. (London time) on the relevant day or such later time(s) and/or date(s) as the Panel may agree. If the Final Offer is not yet wholly unconditional (so that the Initial Offer Period has not yet expired), the announcement will state the next time and date on which the Initial Offer Period will expire and inform Cadbury Securityholders that they may accept the Final Offer or withdraw their acceptance at any time until the end of the Initial Offer Period, as extended.
- (d) If the Final Offer has become wholly unconditional (with the result that the Initial Offer Period has ended), the announcement to be made by 8.00 a.m. (London time) on the relevant day or such later time(s) and/or date(s) as the Panel may agree will state that the Final Offer will remain open for a Subsequent Offer Period until further notice or until a specified date not less than 14 calendar days after the end of the Initial Offer Period.
- (e) In this Appendix I, references to the making of an announcement or the giving of notice by or on behalf of Kraft Foods include the release of an announcement by Kraft Foods' public relations consultants or the Financial Advisers, in each case on behalf of Kraft Foods to the press (through, among others, PR Newswire) and the delivery by hand or telephone, telex or facsimile or other electronic transmission of an announcement through a Regulatory Information Service or a newswire service. A press release or other announcement made otherwise than through a Regulatory Information Service will be notified simultaneously through a Regulatory Information Service (unless otherwise agreed by the Panel).

#### **4. Rights of withdrawal**

- (a) Except as provided by this paragraph 4 of Part B of this Appendix I, acceptances of and elections under the Final Offer are irrevocable.
- (b) An accepting Cadbury Securityholder may withdraw his acceptance of the Final Offer at any time during the Initial Offer Period and in certain other circumstances described below by written notice or otherwise, in the

case of Cadbury Shares in uncertificated form, in the manner set out in paragraph 4(h) of Part B of this Appendix I or, in the case of Cadbury ADSs, in the manner set out in paragraph 4(i) of Part B of this Appendix I. Except for the circumstances where paragraph 4(e) of Part B of this Appendix I applies, acceptances of the Final Offer that are not validly withdrawn during the Initial Offer Period or that are received during the Subsequent Offer Period may not be withdrawn. Cadbury Securityholders will not have any withdrawal rights during the Subsequent Offer Period, except in certain limited circumstances described below. The Subsequent Offer Period must remain open for at least 14 calendar days but may be extended beyond that time until a further specified date or until further notice.

- (c) Kraft Foods will only announce that the Acceptance Condition has been satisfied if all other Conditions are also satisfied, fulfilled or, to the extent permitted, waived. Withdrawal rights will also terminate at this time unless Kraft Foods fails to comply by 3.30 p.m. (London time) on the relevant day (as defined in paragraph 3(a) of Part B of this Appendix I) (or such later time(s) and/or date(s) as the Panel may agree) with any of the other requirements specified in paragraph 3(a) of Part B of this Appendix I, in which case an accepting Cadbury Securityholder may (unless the Panel agrees otherwise) withdraw his acceptance of the Final Offer by written notice or otherwise in accordance with paragraph 4(h) or 4(i) of Part B of this Appendix I. Subject to paragraph 1(c) of Part B of this Appendix I this right of withdrawal may be terminated not less than eight calendar days after the relevant day by Kraft Foods confirming, if such is the case, that the Final Offer is still unconditional, and complying with the other requirements specified in paragraph 3(a) of Part B of this Appendix I. If that confirmation is given, the first period of 14 calendar days referred to in paragraph 1(d) of Part B of this Appendix I will start on the date of that confirmation.
- (d) If a “no increase” and/or “no extension” statement is withdrawn in accordance with paragraph 1(e) of Part B of this Appendix I, a Cadbury Securityholder who accepts the Final Offer after the date of the statement may withdraw such acceptance by written notice or otherwise in accordance with paragraph 4(h) or 4(i) of Part B of this Appendix I during the period of eight calendar days after the date on which Kraft Foods sends the notice of the withdrawal of that statement to Cadbury Securityholders.
- (e) Following publication of a supplementary prospectus (as defined by FSMA) by Kraft Foods in respect of the New Kraft Foods Shares, if a Cadbury Securityholder who accepted the Final Offer prior to publication of the supplementary prospectus has a right of withdrawal which arises pursuant to section 87Q of FSMA, then such Cadbury Securityholder may withdraw his acceptance of the Final Offer by written notice or otherwise in accordance with paragraph 4(h) or 4(i) of Part B of this Appendix I during the period of two Business Days beginning with the first Business Day after the date on which the supplementary prospectus was published.
- (f) All questions as to the validity (including time of receipt) of any notice of withdrawal will be determined by Kraft Foods whose determination (except as required by the Panel) will be final and binding. None of Kraft Foods, the Financial Advisers, the Receiving Agent, the US Exchange Agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification or for any determination under this paragraph 4 of Part B of this Appendix I.
- (g) In this paragraph 4, “written notice” (including any letter of appointment, direction or authority) means notice in writing signed by the relevant accepting Cadbury Securityholder(s) (or his/their agent(s) duly appointed in writing and evidence of whose appointment is satisfactory to Kraft Foods is produced with the notice) given by post or by hand only (during normal business hours) to Computershare Investor Services PLC at 2nd Floor, Vintners’ Place, 68 Upper Thames Street, London EC4V 3BJ or by post only to the US Exchange Agent at the address set forth on the back cover of the US Offer Document (as the case may be). Telex, facsimile or other electronic transmission or copies will not be sufficient. To be effective, a written notice must be received on a timely basis by the Receiving Agent or the US Exchange Agent (as the case may be) and must specify the name of the person who has tendered the Cadbury Shares and/or Cadbury ADSs, the number of Cadbury Shares and/or Cadbury ADSs to be withdrawn and the name of the registered holder of those Cadbury Shares and/or Cadbury ADSs, if different from the name of the person whose acceptance is to be withdrawn, and in the case of Cadbury ADSs in certificated form, the additional information set out in paragraph 4(i) of Part B of this Appendix I. A notice which is postmarked in, or otherwise appears to Kraft Foods or its agents to have been sent from, a Restricted Jurisdiction may not be treated as valid.
- (h) In the case of Cadbury Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraph 4(b), 4(c), 4(d) or 4(e) of Part B of this Appendix I, an accepting Cadbury Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance to

be withdrawn. Each ESA instruction must, in order for it to be valid and to settle, include the following details:

- the number of Cadbury Shares to be withdrawn, together with their ISIN number which is GB00B2PF6M70;
- the member account ID of the accepting shareholder, together with his participant ID;
- the member account ID of the Escrow Agent (this is CADGBP01 (or CADUSD01 if the accepting Cadbury Shareholder has made a specific election to receive cash consideration in US dollars) for the Basic Final Offer, CADGBP02 (or CADUSD02 if the accepting Cadbury Shareholder has made a specific election to receive cash consideration in US dollars) for additional New Kraft Foods Shares under the Mix and Match Facility and CADGBP03 (or CADUSD03 if the accepting Cadbury Shareholder has made a specific election to receive cash consideration in US dollars) for additional cash under the Mix and Match Facility) included in the relevant Electronic Acceptance, together with the Escrow Agent's participant ID (this is 3RA34);
- the transaction reference number of the Electronic Acceptance to be withdrawn;
- the intended settlement date for the withdrawal;
- the corporate action number for the Final Offer; and
- input with standard delivery instruction priority of 80.

Any such withdrawal will be conditional upon the Receiving Agent verifying that the withdrawal request is validly made. Accordingly, the Receiving Agent will on behalf of Kraft Foods reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

- (i) In the case of Cadbury ADSs in certificated form, if withdrawals are permitted pursuant to paragraphs 4(b), 4(c), 4(d) or 4(e) of Part B of this Appendix I, a holder may withdraw his prior acceptance of the Final Offer and request the return of the Cadbury ADRs previously tendered to the US Exchange Agent by delivery of a signed notice of withdrawal to the US Exchange Agent at the applicable address set forth in the ADS Letter of Transmittal. The notice of withdrawal must specify the following: name, address and tax identification number of the person who previously accepted the Final Offer, the serial numbers shown on the Cadbury ADRs previously surrendered to the US Exchange Agent, the number of the Cadbury ADSs to be withdrawn and the name of the registered holder of the Cadbury ADSs previously surrendered (if different from the name of the person who previously accepted the Final Offer). Unless the Cadbury ADSs evidenced by such Cadbury ADRs have been delivered by an Eligible Institution, the signatures on the notice of withdrawal must be guaranteed by an Eligible Institution. In the case of Cadbury ADSs in uncertificated form, if withdrawals are permitted pursuant to paragraphs 4(b), 4(c), 4(d) or 4(e) of Part B of this Appendix I, a holder may withdraw his prior acceptance of the Final Offer and request the return of the Cadbury ADSs previously tendered to the US Exchange Agent by instructing the applicable intermediary to deliver a notice of withdrawal to the US Exchange Agent through the Book-Entry Transfer Facility's procedures. Any notice of withdrawal must specify the name and number of the account at the appropriate Book-Entry Transfer Facility to be credited with the withdrawn Cadbury ADSs. Any such withdrawal will be conditional upon the US Exchange Agent verifying that the withdrawal request is validly made.
- (j) Cadbury Shares in respect of which acceptances have been validly withdrawn in accordance with this paragraph 4 of Part B of this Appendix I may subsequently be reassented to the Final Offer by following one of the procedures described in paragraph 1 of Section A of Part 2 while the Final Offer remains open for acceptance.

## 5. Revised Offer

- (a) Although no revision is contemplated, if Kraft Foods revises the Final Offer (in its original or previously revised form(s) and either in its terms and conditions or in the value or nature of the consideration offered or otherwise) and whether or not Kraft Foods revises the Mix and Match Facility, the benefit of the revised offer will, subject to this paragraph 5 and paragraph 8 of Part B of this Appendix I, be made available to a Cadbury Securityholder who has accepted the Final Offer (in its original or any revised form(s)) and who has not validly withdrawn such acceptance (a "previous acceptor") if any such revised offer(s) represents, on the date on which it is announced (on such basis as the Financial Advisers may consider appropriate), an improvement (or no diminution) in the value of the consideration offered compared with the consideration or terms previously offered or in the overall value received and/or retained by a Cadbury Securityholder. The acceptance by or on behalf of a previous acceptor will, subject as provided in this paragraph 5 and

paragraph 8 of Part B of this Appendix I be deemed an acceptance of the revised offer and will constitute the separate appointment of each of Kraft Foods and any executive officer of, or person authorised by Kraft Foods or the Financial Advisers as his attorney and/or agent with authority:

- (i) to accept the revised offer on behalf of such previous acceptor;
- (ii) if the revised offer includes alternative form(s) of consideration, to make elections for and/or accept the alternative form(s) of consideration on his behalf in the proportions the attorney and/or agent in his absolute discretion thinks fit; and
- (iii) to execute on his behalf and in his name all further documents (if any) and to do all things (if any) as may be required to give effect to such acceptances and/or elections.

In making any election and/or acceptance, the attorney and/or agent will take into account the nature of any previous acceptance(s) or election(s) made by or on behalf of the previous acceptor and other facts or matters he may reasonably consider relevant. The attorney and/or agent shall not be liable to any Cadbury Securityholder or any other person in making such election and/or acceptance or in making any determination in respect thereof.

- (b) The deemed acceptance and/or election referred to in paragraph 5(a) of Part B of this Appendix I shall not apply, and the power of attorney and the authorities conferred by that paragraph shall not be exercised to the extent that a previous acceptor (i) lodges with the Receiving Agent or the US Exchange Agent (as the case may be) within 14 calendar days of publication and/or filing, as applicable, of the revised documentation, the relevant Acceptance Form in which he validly elects to receive consideration under the revised offer in some other manner, (ii) sends, in the case of uncertificated Cadbury ADSs, an Agent's Message which contains a valid election to receive consideration under the revised offer in some other manner and such Agent's Message is valid and is received by the US Exchange Agent or (iii) sends (or, if a CREST sponsored member, procures that his CREST sponsor sends), in respect of Cadbury Shares in uncertificated form, an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be changed. Each ESA instruction must, in order for it to be valid and to settle, include the following details:

- the number of Cadbury Shares in respect of which the changed election is made, together with their ISIN number (this is GB00B2PF6M7O);
- the member account ID of the previous acceptor, together with his participant ID;
- the member account ID of the Escrow Agent (this is CADGBP01 (or CADUSD01 if the previous acceptor has made a specific election to receive cash consideration in US dollars) for the Basic Final Offer, CADGBP02 (or CADUSD02 if the previous acceptor has made a specific election to receive cash consideration in US dollars) for additional New Kraft Foods Shares under the Mix and Match Facility and CADGBP03 (or CADUSD03 if the previous acceptor has made a specific election to receive cash consideration in US dollars) for additional cash under the Mix and Match Facility) included in the relevant Electronic Acceptance, together with the Escrow Agent's participant ID (this is 3RA34);
- the transaction reference number of the Electronic Acceptance in respect of which the election is to be changed;
- the intended settlement date for the changed election;
- the corporate action number for the Final Offer; and
- input with standard delivery instruction priority of 80,

and, in order that the desired change of election can be effected, must include:

- the member account ID of the Escrow Agent relevant to the new election.

Any such change of election will be conditional upon the Receiving Agent or the US Exchange Agent (as the case may be) verifying that the request is validly made. Accordingly, the Receiving Agent will on behalf of Kraft Foods reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

- (c) The powers of attorney and authorities conferred by this paragraph 5 of Part B of this Appendix I and any acceptance of a revised offer and/or any election in relation to it shall be irrevocable unless and until the previous acceptor withdraws his acceptance having been entitled to do so under paragraph 4 of Part B of this Appendix I.

- (d) Kraft Foods, the Receiving Agent, the US Exchange Agent and the Financial Advisers reserve the right to treat an executed Acceptance Form, TTE Instruction or Agent's Message relating to the Final Offer (in its original or any previously revised form(s)) which is received (or dated) after the announcement or issue of any revised offer as a valid acceptance of the revised offer (and where applicable a valid election for the alternative forms of consideration). That acceptance will constitute an authority in the terms of paragraph 5(a) of Part B of this Appendix I, *mutatis mutandis*, on behalf of the relevant Cadbury Securityholder.
- (e) If Kraft Foods makes a material change in the terms of the Final Offer or it waives a material Condition prior to the end of the Initial Offer Period, Kraft Foods will make appropriate disclosure and extend the Initial Offer Period to the extent required by Rules 14(d)-4(d), 14(d)-6(c) and 14e-1 under the US Securities Exchange Act. The minimum period of such extension following material changes in its terms, other than a change in the price, will depend on the facts and circumstances then existing, including the materiality of the changes. With respect to a change in price, a minimum of ten US Business Days is generally required to allow for adequate dissemination to Cadbury Securityholders. Any reduction of the Acceptance Condition will be effected and announced in the manner described in paragraph 2(d) of Part B of this Appendix I.

## 6. The Mix and Match Facility

- (a) An election under the Mix and Match Facility will only be accepted in respect of a whole number of Cadbury Shares (including those represented by Cadbury ADSs). The number of Cadbury Shares in respect of which an election under the Mix and Match Facility is made represents the number of Cadbury Shares in respect of which the Cadbury Securityholder wishes to receive either all cash or, as the case may be, all Kraft Foods Shares, as consideration under the Final Offer.
- (b) The maximum aggregate amount of cash to be paid and the maximum aggregate amount of New Kraft Foods Shares to be issued under the Final Offer will not be varied as a result of elections under the Mix and Match Facility. The available cash and New Kraft Foods Shares will be allocated in accordance with this paragraph 6 of Part B of this Appendix I among Cadbury Securityholders who make elections under the Mix and Match Facility.
- (c) Valid elections for New Kraft Foods Shares made by Cadbury Securityholders in excess of their basic entitlements to New Kraft Foods Shares under the Final Offer will be satisfied in full where sufficient New Kraft Foods Shares are available as a result of other accepting Cadbury Securityholders validly making elections for cash in excess of their basic entitlements to cash, thereby releasing New Kraft Foods Shares to which they would otherwise be entitled under the Final Offer. If the number of New Kraft Foods Shares made available as a result of valid elections under the Mix and Match Facility for cash in excess of the basic entitlement thereto is insufficient to satisfy in full all valid elections for New Kraft Foods Shares in excess of Cadbury Securityholders' basic entitlements thereto, then such elections will be scaled down on a *pro rata* basis and the balance of the consideration will be satisfied in accordance with the basic terms of the Final Offer. In the case of a Cadbury ADS Holder, if a Cadbury ADS Holder elects under the Mix and Match Facility for New Kraft Foods Shares in excess of the basic entitlement thereto and, as a result, the cash consideration otherwise payable to such Cadbury ADS Holder is not sufficient to cover the Withdrawal Fee payable by such Cadbury ADS Holder, then such election will be adjusted to the extent necessary to ensure that the cash consideration payable is sufficient to cover the amount of the Withdrawal Fee.
- (d) Valid elections for cash made by Cadbury Securityholders in excess of their basic entitlements to cash under the Final Offer will be satisfied in full where sufficient cash is available as a result of other accepting Cadbury Securityholders validly making elections for New Kraft Foods Shares in excess of their basic entitlements to New Kraft Foods Shares thereby releasing cash to which they would otherwise be entitled under the Final Offer. If the amount of cash made available as a result of valid elections under the Mix and Match Facility for New Kraft Foods Shares in excess of the basic entitlement thereto is insufficient to satisfy in full all valid elections for cash in excess of Cadbury Securityholders' basic entitlements to cash, then such elections will be scaled down on a *pro rata* basis and the balance of the consideration will be satisfied in accordance with the basic terms of the Final Offer.
- (e) To the extent that valid elections under the Mix and Match Facility can be satisfied in accordance with paragraphs 6(c) and 6(d) of Part B of this Appendix I, Cadbury Securityholders will receive New Kraft Foods Shares instead of cash due under the Final Offer and vice versa on the basis of £15.94 in cash for each New Kraft Foods Share. This price has been set using an exchange rate of US\$1.6627 to £1.00 and the

closing share price of US\$26.50 per Kraft Foods Share derived from the NYSE on 1 December 2009, the latest practicable date prior to the publication of the Original Offer Document. Kraft Foods Shares may be trading at a lower or higher price than US\$26.50 at the Settlement Date.

- (f) The Mix and Match Facility will remain open until the end of the Subsequent Offer Period.
- (g) No election under the Mix and Match Facility will be valid unless, by the time and date on which the Final Offer closes:
  - (i) in respect of Cadbury Shares held in certificated form, both a valid acceptance of the Final Offer and a valid election for the Mix and Match Facility, duly completed in all respects and accompanied by all relevant share certificate(s), and/or other document(s) of title is received;
  - (ii) in respect of Cadbury Shares held in uncertificated form, settlement of a Mix and Match TTE Instruction in relation to those shares in accordance with the procedures set out in paragraph 1.2.3 of Section A of Part 2 occurs;
  - (iii) in the case of Cadbury ADSs, such Cadbury ADSs have been validly tendered and a valid election for the Mix and Match Facility has been made in accordance with the procedures set forth in the US Offer Document.
- (h) If a Cadbury Securityholder purports to elect for both additional cash and additional New Kraft Foods Shares under the Mix and Match Facility, both purported elections shall be deemed to be void and the relevant Cadbury Securityholder shall be deemed to have accepted the Final Offer on its basic terms (without prejudice to any currency election) in respect of all the Cadbury Shares to which the relevant Acceptance Form, TTE Instruction or Agent's Message relates.
- (i) If a TTE Instruction, Acceptance Form or Agent's Message that constitutes or includes an election under the Mix and Match Facility is received before the time and date upon which the Subsequent Offer Period closes but is not, and is not deemed to be, valid or complete in all respects at such time and date, such election shall, for all purposes, be void and the Cadbury Securityholder purporting to make such election shall not, for any purpose, be entitled to receive any variation of consideration under the election but such acceptance (if otherwise valid) shall, subject to the provisions of paragraph 8 of Part B of this Appendix I, be deemed to be an acceptance of the Final Offer in respect of the number of Cadbury Shares in respect of which such election was purported to be made and the relevant Cadbury Securityholder will, subject to the Final Offer becoming wholly unconditional, be entitled to receive the basic consideration due (without prejudice to any currency election) under the Final Offer in respect thereof.
- (j) Valid elections under the Mix and Match Facility received during the Initial Offer Period will be off-set against each other in one off-setting pool for the purposes of determining the nominal amount of cash and New Kraft Foods Shares available to meet such elections. Valid elections under the Mix and Match Facility received during the Subsequent Offer Period will be settled on various settlement dates, and each election received (or validated or completed) during the Subsequent Offer Period will be off-set against all other such elections settled on the same settlement date in one off-setting pool for the purposes of determining the nominal amount of cash and New Kraft Foods Shares available to meet such elections.
- (k) The Mix and Match Facility is conditional on the Final Offer becoming wholly unconditional. The Mix and Match Facility will lapse if the Final Offer lapses or expires.
- (l) An election under the Mix and Match Facility by a Cadbury Securityholder may not be changed after the time that it is first made. However, acceptances including elections under the Mix and Match Facility may be withdrawn in accordance with the procedures in paragraph 4 of Part B of this Appendix I. This right of withdrawal, except in the limited circumstances set out in paragraph 4 of Part B of this Appendix I, terminates at the time that the Final Offer becomes wholly unconditional.

## 7. General

- (a) Except with the consent of the Panel, the Final Offer will lapse unless all the Conditions relating to the Final Offer have been satisfied or (if capable of waiver) waived or, where appropriate, have been determined by Kraft Foods in its reasonable opinion to be and remain satisfied by 1.00 p.m. (London time) on Day 60 (in

the case of all Conditions other than the Acceptance Condition) or midnight (London time) on Day 60 (in the case of the Acceptance Condition) or such later time(s) and/or date(s) as Kraft Foods, with the consent of the Panel and in accordance with the US tender offer rules, may decide.

(b) If the Final Offer lapses for any reason:

- (i) it will not be capable of further acceptance;
- (ii) accepting Cadbury Securityholders and Kraft Foods will cease to be bound by (a) in the case of Cadbury Shares held in certificated form, Forms of Acceptance submitted; (b) in the case of Cadbury Shares held in uncertificated form, Electronic Acceptances inputted and settled, in each case before the time the Final Offer lapses; and (c) in the case of Cadbury ADSs, the applicable ADS Letter of Transmittal or Agent's Message submitted, in each case before the time the Final Offer lapses;
- (iii) in respect of Cadbury Shares and Cadbury ADSs held in certificated form, the relevant Acceptance Form, share certificates, Cadbury ADRs and other documents of title will be returned by post within 14 calendar days of the Final Offer lapsing, at the risk of the Cadbury Securityholder in question, to the person or agent whose name and address is set out in the relevant box on the relevant Acceptance Form or, if none is set out, to the first-named holder at his registered address. No such documents will be sent to an address in a Restricted Jurisdiction;
- (iv) in respect of Cadbury Shares held in uncertificated form, the Receiving Agent will immediately after the Final Offer lapses (or within such longer period as the Panel may permit, not exceeding 14 calendar days of the Final Offer lapsing) give TFE Instructions to Euroclear to transfer all Cadbury Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Final Offer to the original available balances of the relevant Cadbury Shareholders; and
- (v) in respect of Cadbury ADSs held in uncertificated form, the US Exchange Agent will immediately after the Final Offer lapses (or within such longer period as the Panel may permit, not exceeding 14 calendar days of the Final Offer lapsing) credit such Cadbury ADSs delivered by book-entry transfer into the US Exchange Agent's account at a Book-Entry Transfer Facility to the original account(s) of the relevant Cadbury ADS Holders at the appropriate Book-Entry Transfer Facility.

(c) Except with the consent of the Panel:

- (i) subject to Part E of this Appendix I, settlement of the consideration to which any Cadbury Securityholder is entitled under the Final Offer will be implemented in full in accordance with the terms of the Final Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Kraft Foods or the Financial Advisers may otherwise be, or claim to be, entitled against that Cadbury Securityholder;
- (ii) settlement of the consideration to which any Cadbury Shareholder is entitled will be effected in the manner prescribed in paragraph 5 of Section A of Part 2 not later than 14 calendar days after the date on which the Final Offer becomes or is declared unconditional or within 14 calendar days of the date of receipt of a valid and complete acceptance, whichever is the later; and
- (iii) settlement of the consideration to which any Cadbury ADS Holder is entitled will be effected in the manner prescribed in the section entitled "*The Offer – Payment of Cash and Stock Consideration*" in the US Offer Document not later than 14 calendar days after the date on which the Final Offer becomes or is declared unconditional or within 14 calendar days of the date of receipt of a valid and complete acceptance, whichever is the later.

Subject to paragraph 8 of Part B of this Appendix I, Kraft Foods reserves the right not to send any consideration to an address in a Restricted Jurisdiction.

(d) The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Acceptance Forms constitute part of the terms of the Final Offer. Words and expressions defined in this document have the same meaning when used in the Acceptance Forms unless the context requires otherwise. The provisions of this Appendix I shall be deemed to be incorporated into and form part of the Acceptance Forms.

- (e) If the Final Offer is extended beyond 2 February 2010, a reference in this document and in the Acceptance Forms to 2 February 2010 will (except in the definition of Offer Period, the definition of Day 60 and in paragraph 1(a) of Part B of this Appendix I and where the context requires otherwise) be deemed to refer to the date to which the Final Offer is so extended.
- (f) The Final Offer is made in respect of all Cadbury Shares issued and unconditionally allotted at the date of the Original Offer Document or at such later time as Kraft Foods may, subject to the provisions of the Takeover Code, determine. The offer documentation contains certain procedures by which Cadbury ADS Holders may benefit from the Final Offer in respect of the Cadbury Shares represented by their Cadbury ADSs. Any omission or failure to send this document, the Original Offer Document, the Prospectus, the US Final Offer Document, the Acceptance Forms or any other document relating to the Final Offer and/or notice required to be sent under the terms of the Final Offer to, or any failure to receive the same by, any person to whom the Final Offer is, or should be, made shall not invalidate the Final Offer in any way or create any implication that the Final Offer has not been made to any such person. Subject to the provisions of paragraph 8 of Part B of this Appendix I, the Final Offer is made to any Cadbury Securityholder to whom this document, the Original Offer Document, the Prospectus, the US Offer Document and the Acceptance Forms may not be sent or by whom such documents may not be received, and these persons may collect these documents from the Receiving Agent at the address set out in paragraph 4(g) of Part B of this Appendix I or the US Information Agent at 199 Water Street, 26<sup>th</sup> Floor, New York, NY 10038-3560.
- (g) Subject to the Takeover Code and the US tender offer rules, and notwithstanding any other provision of Part B of this Appendix I, Kraft Foods and the Financial Advisers reserve the right to treat as valid in whole or in part any acceptance of the Final Offer if received by the Receiving Agent or the US Exchange Agent (as the case may be) or otherwise on behalf of Kraft Foods that is not entirely in order or in correct form or which is not accompanied by (as applicable) the relevant share certificate(s) and/or other relevant document(s) or the relevant TTE Instruction or Agent's Message or is received by it at any place or places or in any form or manner determined by either the Receiving Agent or the US Exchange Agent (as the case may be) or Kraft Foods otherwise than as set out in this document or in the relevant Acceptance Forms. In that event, no issue of New Kraft Foods Shares or payment of cash, under the Final Offer will be made until after the acceptance is entirely in order and (as applicable) the relevant transfer to escrow or book-entry transfer has settled or the relevant share certificate(s) and/or other document(s) of title or satisfactory indemnities have been received by the Receiving Agent or the US Exchange Agent (as the case may be).
- (h) If all Conditions are satisfied, fulfilled or, to the extent permitted, waived and sufficient acceptances are received and/or sufficient Cadbury Shares are otherwise acquired, Kraft Foods intends to apply the provisions of Chapter 3 of Part 28 of the 2006 Act to acquire compulsorily any outstanding Cadbury Shares. Kraft Foods intends, after the Final Offer becomes wholly unconditional, to procure the making of an application by Cadbury to the appropriate authorities for the cancellation of the listing and the admission to trading of Cadbury Shares, both not less than 20 Business Days after the Final Offer becomes wholly unconditional. Kraft Foods also intends, after the Final Offer becomes wholly unconditional to cause Cadbury to procure the cancellation of the listing of the Cadbury ADSs on the NYSE.
- (i) All powers of attorney, appointments of agents and authorities on the terms conferred by or referred to in this Appendix I or in the Acceptance Forms are given by way of security for the performance of the obligations of the Cadbury Securityholder and are irrevocable except in the circumstances where the donor of the power of attorney, appointment or authority validly withdraws his acceptance in accordance with paragraph 4 of Part B of this Appendix I.
- (j) No acknowledgement of receipt of any Acceptance Form, transfer by means of CREST, Agent's Message, communication, notice, share certificate(s) or document(s) of title will be given by or on behalf of Kraft Foods. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Cadbury Securityholders (or their designated agents) will be delivered by or sent to or from them (or their designated agent(s)) at their own risk.
- (k) Subject to paragraph 8 of Part B of this Appendix I the Final Offer (in its original form) was made at 3.00 p.m. (London time) on 4 December 2009 by means of the Original Offer Document and the Original US Offer Document and is capable of acceptance from and after that time. The terms of the Original Offer are being revised on 19 January 2010. Copies of this document, the Original Offer Document, the Prospectus, the relevant Original Acceptance Forms and any related documents may be collected from the Receiving Agent at the address specified in paragraph 4(g) of Part B of this Appendix I and copies of the Original US Offer Document, the Final US Offer Document, the relevant Final Acceptance Forms and any related

documents may be collected from the US Information Agent via the telephone numbers and at the address set forth on the back cover of the US Offer Document.

- (l) The Final Offer, all acceptances of the Final Offer and all elections in respect of it are governed by and will be construed in accordance with English law. The courts of England and the US have jurisdiction to settle any dispute arising from or connected with the Final Offer, all acceptances of the Final Offer and all elections in respect of it.
- (m) Cadbury Shares will be acquired pursuant to the Final Offer fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and other interests of any nature whatsoever and together with all rights attaching to them on or after 9 November 2009, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after that date. Accordingly, Kraft Foods reserves the right to reduce the Final Offer consideration, through an appropriate mechanism, and with appropriate notice under the US tender offer rules, in the event that any such dividends or distributions are declared or return of capital is made.
- (n) All references in this Appendix I to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).
- (o) In relation to any Electronic Acceptance or Agent's Message, Kraft Foods reserves the right to make such alterations, additions or modifications to the terms of the Final Offer as may be necessary or desirable to give effect to any purported acceptance of the Final Offer, whether in order to comply with the facilities or requirements of CREST, or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Takeover Code and the US tender offer rules or are otherwise made with the consent of the Panel.
- (p) For the purposes of this document, the time of receipt of a TTE Instruction, an ESA instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST and, the time of receipt of an Agent's Message shall be the time at which the relevant message is received by the US Exchange Agent.
- (q) Any references in this Appendix I to the return or despatch of documents by post shall extend to the return or despatch by such other method as the Panel may approve.
- (r) If the Panel requires Kraft Foods to make an offer for Cadbury Shares under the provisions of Rule 9 of the Takeover Code, Kraft Foods may make such alterations to the conditions of the Final Offer, including the Acceptance Condition, as are necessary to comply with the provisions of that Rule.
- (s) The New Kraft Foods Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Kraft Foods Shares issued and outstanding at the time the New Kraft Foods Shares are issued pursuant to the Final Offer, including the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid by reference to a record date falling after the date on which the New Kraft Foods Shares are issued to relevant Cadbury Securityholders. The New Kraft Foods Shares will be registered under the US Securities Act and will be listed on the NYSE.
- (t) Fractions of New Kraft Foods Shares will not be allotted or issued to Cadbury Securityholders who accept the Final Offer but will be aggregated and sold in the market and the cash proceeds of sale net of expenses (including as applicable and without limitation, any brokerage fees and commissions, wire transfer fees, stamp duty or other miscellaneous fees and expenses) will be distributed *pro rata* (subject to any elections as set out in paragraph 9(a) or 9(b) (as the case may be) of Part B of this Appendix I) to: (I) Cadbury ADS Holders entitled thereto in US dollars; and (II) Cadbury Shareholders entitled thereto in pounds sterling following conversion from US dollars.

#### 8. Overseas shareholders

- (a) The release publication or distribution of this document and any other Final Offer related documentation in jurisdictions other than the UK, France, Ireland or Spain, and the availability of the Final Offer to Cadbury Securityholders who are not resident in the UK, the US, Canada, France, Ireland or Spain may be affected by the laws or regulations of relevant jurisdictions. Therefore any persons who are subject to the laws and

regulations of any jurisdiction other than the UK, the US, Canada, France, Ireland or Spain, or Cadbury Securityholders who are not resident in such jurisdictions will need to inform themselves about, and observe, any applicable requirements.

- (b) The Final Offer is being made for all of the Cadbury Shares (including those represented by Cadbury ADSs) and is being made into the UK, the US, Canada, France, Ireland and Spain, as well as any other jurisdiction where the Final Offer is capable of being lawfully made in compliance with local laws. The Final Offer is not being extended, and will not be extended directly or indirectly, in or into, or by use of mails or any means or instrumentality (including, without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from within such Restricted Jurisdictions unless otherwise determined by Kraft Foods. Accordingly, copies of the Original Offer Document, this document and the accompanying documents are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction.

**Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should observe these restrictions and must not mail or otherwise forward, distribute, or send them in, into or from a Restricted Jurisdiction. Doing so may render any purported acceptance of the Final Offer invalid.**

- (c) In making their decision whether or not to accept the Final Offer, Cadbury Securityholders who are South African residents will need to take into account the South African Exchange Control Regulations issued in terms of the Currency and Exchanges Act, 1933 (the “**Excon Regulations**”), and consider whether or not their acceptance of the Final Offer and their subsequent receipt of consideration for their Cadbury Shares from Kraft Foods, whether in the form of cash and/or New Kraft Foods Shares, will be in compliance with the Excon Regulations.
- (d) It is the responsibility of any persons who are subject to the laws and regulations of any jurisdiction other than the UK, the US, Canada, France, Ireland or Spain, or Cadbury Securityholders who are not resident in such jurisdictions and who wish to accept the Final Offer to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Final Offer, including obtaining any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities. Each Cadbury Securityholder shall be responsible for any such issue, transfer or other taxes or duties or other payments (other than UK stamp duty or stamp duty reserve tax) by whomsoever payable and Kraft Foods and the Financial Advisers (and any person acting on behalf of any of them) shall be fully indemnified and held harmless by such Cadbury Securityholder for any such issue, transfer or other taxes or duties or other payments which Kraft Foods or the Financial Advisers (and any person acting on behalf of them) may be required to pay.
- (e) Persons wishing to accept the Final Offer must not use the mails or any means or instrumentality (including, without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction for any purpose, directly or indirectly, relating to acceptance of the Final Offer. Envelopes containing Acceptance Forms, evidence of title or other documents relating to the Final Offer should not be postmarked in a Restricted Jurisdiction or otherwise despatched from such a jurisdiction and all acceptors must provide an address outside a Restricted Jurisdiction for the receipt of the consideration to which they are entitled under the Final Offer or for the return of the Acceptance Forms or any documents of title; otherwise, any purported acceptance may be rendered invalid.
- (f) Subject to the provisions of this paragraph 8 of Part B of Appendix I and applicable laws, a Cadbury Shareholder may be deemed NOT to have accepted the Final Offer (or, where the context requires not to have validly elected for the Mix and Match Facility) if:
- (i) he puts “No” in Box 5 of the Form of Acceptance and thereby does not make the representations and warranties set out in paragraph (b) of Part C of this Appendix I;
  - (ii) he completes Box 6A of the Form of Acceptance with an address in a Restricted Jurisdiction or has a registered address in a Restricted Jurisdiction and in any such case does not insert in Box 6B of the

Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Final Offer to be sent;

- (iii) he inserts in Box 6B of the Form of Acceptance the name and address of a person or agent in a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Final Offer to be sent;
  - (iv) in any case, the Form of Acceptance received from him is in an envelope postmarked in, or which otherwise appears to Kraft Foods or its agents to have been sent from, a Restricted Jurisdiction; or
  - (v) he makes a Restricted Escrow Transfer pursuant to paragraph 8(h) of Part B of this Appendix I below unless he also makes a related Restricted ESA Instruction which is accepted by the Escrow Agent.
- (g) Subject to the provisions of this paragraph 8 of Part B of this Appendix I and applicable laws, a Cadbury ADS Holder may be deemed NOT to have accepted the Final Offer if:
- (i) he cannot give the representations and warranties set out in paragraph (d) of Part E of this Appendix I subject to paragraph 8(i) of Part B of this Appendix I below;
  - (ii) he has a registered address in a Restricted Jurisdiction and in any such case does not insert in the relevant part of the ADS Letter of Transmittal the name and address of a person or agent outside a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Final Offer to be sent;
  - (iii) he inserts in the relevant part of the ADS Letter of Transmittal the name and address of a person or agent in a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Final Offer to be sent; or
  - (iv) in any case, the ADS Letter of Transmittal received from him is in an envelope postmarked in, or which otherwise appears to Kraft Foods or its agents to have been sent from, a Restricted Jurisdiction.
- (h) If a holder of Cadbury Shares in uncertificated form is unable to give the representations and warranties set out in paragraph (b) of Part D of this Appendix I, but nevertheless can provide evidence satisfactory to Kraft Foods that he is able to accept the Final Offer in compliance with all relevant legal and regulatory requirements, he may purport to accept the Final Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both (1) a TTE Instruction to a designated escrow balance detailed below (a “**Restricted Escrow Transfer**”) and (2) one or more valid ESA instructions (a “**Restricted ESA Instruction**”). Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA Instruction(s) settle in CREST and Kraft Foods decides, in its absolute discretion, to exercise its right described in paragraph 8(p) of Part B of this Appendix I to waive, vary or modify the terms of the Final Offer relating to overseas Cadbury Securityholders, to the extent required to permit such acceptance to be made, in each case during the acceptance period. If Kraft Foods decides to permit such acceptance to be made, the Receiving Agent will on behalf of Kraft Foods accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, the Receiving Agent will on behalf of Kraft Foods reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and to settle, include the following details:-
- the ISIN number for the Cadbury Shares. This is GB00B2PF6M70;
  - the number of Cadbury Shares in respect of which the Final Offer is to be accepted;
  - the member account ID and participant ID of the Cadbury Shareholder;
  - the participant ID of the Escrow Agent (this is 3RA34) and its member account ID specific to a Restricted Escrow Transfer (this is RESTRICT);
  - the intended settlement date;
  - the corporate action number for the Final Offer; and
  - input with standard delivery instruction priority of 80.

Each Restricted ESA Instruction must, in order for it to be valid and to settle, include the following details:-

- the ISIN number for the Cadbury Shares. This is GB00B2PF6M70;
- the number of Cadbury Shares relevant to that Restricted ESA Instruction;

- the member account ID and participant ID of the accepting Cadbury Shareholder;
  - the member account ID and participant ID of the Escrow Agent set out in the Restricted Escrow Transfer;
  - the participant ID and the member account ID of the Escrow Agent relevant to the form of consideration required. This is CADGBP01 (or CADUSD01 if the Cadbury Shareholder makes a specific election to receive cash consideration in US dollars) for the Basic Final Offer, CADGBP02 (or CADUSD02 if the Cadbury Shareholder makes a specific election to receive cash consideration in US dollars) for additional New Kraft Foods Shares under the Mix and Match Facility and CADGBP03 (or CADUSD03 if the Cadbury Shareholder makes a specific election to receive cash consideration in US dollars) for additional cash under the Mix and Match Facility;
  - the transaction reference number of the Restricted Escrow Transfer to which the Restricted ESA Instruction relates; and
  - the intended settlement date and the corporate action number for the Final Offer.
- (i) If a holder of a Cadbury ADS in uncertificated form is unable to give the representations and warranties set out in paragraph (d) of Part E of this Appendix I, but nevertheless can provide evidence satisfactory to Kraft Foods that he is able to accept the Final Offer in compliance with all relevant legal and regulatory requirements, he may purport to accept the Final Offer in the manner advised by the US Exchange Agent and applicable DTC procedures provided that Kraft Foods decides, in its absolute discretion, to exercise its right described in paragraph 8(p) of Part B of this Appendix I to waive, vary or modify the terms of the Final Offer relating to overseas Cadbury Securityholders, to the extent required to permit such acceptance to be made, in each case during the acceptance period.
- (j) Kraft Foods reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph (b) of Part C or Part D or paragraph (d) of Part E (as the case may be) of this Appendix I could have been truthfully given by the relevant Cadbury Securityholder and, if such investigation is made and as a result Kraft Foods determines (for any reason) that such representations and warranties could not have been so given, such acceptance may be rejected as invalid.
- (k) If any person, despite the restrictions described above and whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Original Offer Document or any other Final Offer related documentation in, into or from a Restricted Jurisdiction or uses the mails or any means or instrumentality (including without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facilities of a national securities exchange of a Restricted Jurisdiction in connection with that forwarding, that person should:
- (i) inform the recipient of such fact;
  - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
  - (iii) draw the attention of the recipient to this paragraph 8 of Part B of this Appendix I.
- (l) Notwithstanding any other provision of this paragraph 8 of Part B of this Appendix I, Kraft Foods may in its sole and absolute discretion provide cash consideration or New Kraft Foods Shares to a resident of a Restricted Jurisdiction if Kraft Foods is satisfied, in that particular case, that to do so would not constitute a breach of any securities or other relevant legislation of a Restricted Jurisdiction.
- (m) Kraft Foods and the Financial Advisers each reserve the right to notify any matter, including the making of the Final Offer, to all or any Cadbury Securityholders:
- (i) with a registered address outside the UK; or
  - (ii) whom Kraft Foods or the Financial Advisers know to be a custodian, trustee or nominee holding Cadbury Shares for persons who are citizens, residents or nationals of jurisdictions outside the UK,

by announcement in the UK through a Regulatory Information Service or in any other appropriate manner or by notice in the London Gazette or paid advertisement in one or more newspapers published and circulated in the UK. Such notice shall be deemed to have been sufficiently given, despite any failure by any

such Cadbury Securityholder to receive or see that notice. A reference in this document to a notice or the provision of information in writing by or on behalf of Kraft Foods is to be construed accordingly. No such document will be sent to an address in a Restricted Jurisdiction.

- (n) The New Kraft Foods Shares to be issued pursuant to the Final Offer will be registered under the US Securities Act but have not been, and it is not currently intended that New Kraft Foods Shares will be listed on any stock exchange other than the NYSE. The New Kraft Foods Shares have not been and it is not currently intended that they will be registered under the securities laws of Canada, Australia or Japan or any other jurisdiction. No clearances have been, nor will they be, obtained from the securities commission or similar authority of any province or territory of Canada and no prospectus has been, or will be, filed, or registration made, under any securities law of any province or territory of Canada, nor has a prospectus in relation to the New Kraft Foods Shares been, nor will one be, lodged with, or registered by, the Australian Securities and Investments Commission, nor have any steps been taken, nor will any steps be taken, to enable the New Kraft Foods Shares to be offered in compliance with applicable securities laws of Japan. It is not currently intended that any application will be made for the admission of the New Kraft Foods Shares to the Official List or to trading on the London Stock Exchange.
- (o) If any written notice from a Cadbury Securityholder withdrawing his acceptance in accordance with paragraph 4 of Part B of this Appendix I is received in an envelope postmarked in, or which otherwise appears to Kraft Foods or its agents to have been sent from, a Restricted Jurisdiction, Kraft Foods reserves the right, in its absolute discretion, to treat that notice as invalid.
- (p) The provisions of this paragraph 8 of Part B of this Appendix I and/or any other terms of the Final Offer relating to overseas Cadbury Securityholders may be waived, varied or modified as regards specific Cadbury Securityholders or on a general basis by Kraft Foods in its sole discretion. Subject to applicable regulatory requirements, Kraft Foods reserves the right to arrange for the sale or allotment of New Kraft Foods Shares to which overseas shareholders would otherwise be entitled pursuant to the Final Offer or pursuant to Chapter 3 of Part 28 of the 2006 Act but for the fact that they are residents of Restricted Jurisdictions and to remit the cash proceeds of such sale or allotment, net of expenses (including as applicable and without limitation, any brokerage fees and commissions, wire transfer fees, stamp duty or other miscellaneous fees and expenses) in US dollars or pounds sterling (following conversion from US dollars to pounds sterling), to such shareholders instead. Cadbury ADS Holders will receive such cash proceeds in US dollars unless they specifically elect to receive them in pounds sterling whereas Cadbury Shareholders will receive pounds sterling unless they specifically elect to receive them in US dollars. Settlement of the net cash proceeds to which such Cadbury Securityholders are entitled will be effected: (a) in the case of complete acceptances received by the date on which the Final Offer becomes wholly unconditional, within 14 calendar days of such date; and (b) in the case of complete acceptances received after such date but while the Final Offer remains open for acceptance, within 14 calendar days of receipt. Kraft Foods will be entitled to determine at its sole discretion and without liability, the timing of such sales or allotments, the price obtained or the pounds sterling/US dollar exchange rate obtained and such sales or allotments may be made individually or together with other New Kraft Foods Shares to which such provisions apply. Such sales or allotments have not been, and will not be underwritten and the net cash proceeds to be received as a result thereof is uncertain. Any Electronic Acceptance, Agent's Message or signed Acceptance Form received pursuant to the Final Offer shall constitute the irrevocable appointment of Kraft Foods or the Financial Advisers or any of their respective directors to effect such sale or allotment as his agent with full powers of delegation to do all things as may be necessary for or ancillary to such purpose. References in this paragraph 8 of Part B of this Appendix I to a Cadbury Securityholder shall include the person or persons making an Electronic Acceptance or transmitting an Agent's Message and the person or persons executing an Acceptance Form and, in the event of more than one person executing the Acceptance Form, the provisions of this paragraph 8 of Part B of this Appendix I apply to them jointly and severally.

**Overseas Cadbury Securityholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your appropriate adviser in the relevant jurisdiction.**

#### **9. Currency of Cash Consideration**

- (a) Subject to the remainder of this paragraph 9(a), and to paragraph 9(b) of Part B of this Appendix I, Cadbury Shareholders will receive cash consideration in pounds sterling. Cash consideration payable to Cadbury Shareholders who hold Cadbury Shares in certificated form will be effected by the issue of cheques. Cash

consideration payable to Cadbury Shareholders who hold Cadbury Shares in uncertificated form will be credited to the relevant CREST accounts. Instead of receiving cash consideration in pounds sterling, Cadbury Shareholders who so wish may elect to receive US dollars on the basis that the cash amount payable in pounds sterling to which such Cadbury Shareholders would otherwise be entitled pursuant to the Final Offer will be paid (net of all relevant fees and expenses) in US dollars based on the exchange rate obtainable by the Receiving Agent on the spot market in London on the date the cash consideration is made available by Kraft Foods to the Receiving Agent for delivery in respect of the relevant Cadbury Shares. If Cadbury Shareholders elect to receive cash consideration in US dollars, payment to Cadbury Shareholders who hold Cadbury Shares in certificated form will be effected by the issue of cheques and payment to Cadbury Shareholders who hold Cadbury Shares in uncertificated form will be credited to the relevant CREST accounts. If CREST rejects a US dollar payment to a Cadbury Shareholder because that Cadbury Shareholder does not have a US dollar bank account linked to his participant ID or holding of Cadbury Shares or for any other reason, payment will be effected by the issue of cheques. Cadbury Shareholders may receive such amount in US dollars on the basis set out above only in respect of the whole of their holding of Cadbury Shares in respect of which they accept the Final Offer. Cadbury Shareholders may not elect to receive both pounds sterling and US dollars.

- (b) The cash consideration available to Cadbury ADS Holders is the same, per Cadbury Share, as that offered to Cadbury Shareholders. Cadbury ADS Holders will, as their currency default position, receive cash consideration in US dollars on the basis that the cash amount payable in pounds sterling to which such Cadbury ADS Holders would otherwise be entitled pursuant to the terms of the Final Offer will be paid (net of all relevant fees and expenses) in US dollars based on the exchange rate obtainable by the US Exchange Agent on the spot market in London on the date the cash consideration is made available by Kraft Foods to the US Exchange Agent for delivery in respect of the relevant Cadbury ADSs. Cash consideration payable to Cadbury ADS Holders whose Cadbury ADSs are held in certificated form will be effected by the issue of cheques. Cash consideration payable to Cadbury ADS Holders whose Cadbury ADSs are held in uncertificated form will be credited through DTC. Instead of receiving cash consideration in US dollars, Cadbury ADS Holders who so wish may elect to receive pounds sterling. If Cadbury ADS Holders elect to receive cash consideration in pounds sterling, payment to all such Cadbury ADS Holders will be effected by the issue of cheques. Cadbury ADS Holders may receive such amount in pounds sterling only in respect of the whole of their holding of Cadbury ADSs in respect of which they accept the Final Offer. Cadbury ADS Holders may not elect to receive both US dollars and pounds sterling.
- (c) The actual amount of US dollars received by any Cadbury Securityholder receiving their cash consideration in US dollars will depend upon the exchange rate prevailing on the day on which funds are made available by Kraft Foods to the Receiving Agent or the US Exchange Agent (as the case may be). Cadbury Securityholders should be aware that the pounds sterling/US dollar exchange rate which is prevailing at the date on which any election is made to receive US dollars and on the dates of dispatch and receipt of payment may be different from that prevailing on the date on which funds are made available by Kraft Foods to the Receiving Agent or the US Exchange Agent (as the case may be). In all cases, fluctuations in the pounds sterling/US dollar exchange rate are at the risk of accepting Cadbury Securityholders who elect or are treated as having elected to receive their consideration in US dollars. Any Cadbury ADS Holder who wishes to receive instead a certain, fixed cash amount in pounds sterling should elect to receive pounds sterling.

## **PART C: Final Form of Acceptance for Cadbury Shares in certificated form**

**This Part C only applies to Cadbury Shares in certificated form. If you hold all your Cadbury Shares in uncertificated form you should ignore this Part C and instead read Part D. Relevant instructions for holders of Cadbury Shares represented by Cadbury ADSs are set out in Part E.**

The following terms apply to the Final Offer. These terms are as set out in the Original Offer Document, except to the extent that they have been revised and supplemented to take into account the revision of the Original Offer.

Under the terms of the Final Offer, valid acceptances of the Original Offer are deemed to be acceptances of the Final Offer.

In this document, “Form of Acceptance” includes the blue Final Form of Acceptance and the white Original Form of Acceptance.

Without prejudice to the terms of the Form of Acceptance and the provisions of Parts A and B of this Appendix I, each Cadbury Shareholder who executes and lodges, or who has executed and has had lodged on his behalf, a Form of Acceptance with the Receiving Agent (subject to the rights of withdrawal set out in this document) irrevocably undertakes, represents, warrants and agrees to and with Kraft Foods, the Financial Advisers and the Receiving Agent and so as to bind himself, his personal or legal representatives, heirs, successors and assigns to the following effect:

- (a) that the execution of the Form of Acceptance, whether or not any Boxes are completed, shall constitute:
  - (i) an acceptance of the Final Offer in respect of the number of Cadbury Shares in certificated form inserted or deemed to be inserted in Box 1 of the Form of Acceptance as the case may be;
  - (ii) if Box 2A or Box 2B is completed, an election under the Mix and Match Facility to receive, subject to availability as a result of offsetting elections, in the case of Box 2A additional New Kraft Foods Shares instead of cash to which he would otherwise have been entitled under the basic terms of the Final Offer, or, in the case of Box 2B, additional cash instead of the New Kraft Foods Shares to which he would otherwise have been entitled under the basic terms of the Final Offer, in each case in respect of the number of Cadbury Shares in certificated form inserted, or deemed to be inserted, in Box 2A or Box 2B of the Form of Acceptance as the case may be; and
  - (iii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required to enable Kraft Foods to obtain the full benefit of Part C of this Appendix I and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with his acceptance of the Final Offer,

in each case on and subject to the terms and conditions set out in this document and in the Form of Acceptance and that, subject only to the rights of withdrawal set out in paragraph 4 of Part B of this Appendix I, each such acceptance, election and undertaking shall be irrevocable. If Box 1 is left blank or a number greater than such Cadbury Shareholder’s certificated holding appears in Box 1, or the Form of Acceptance is otherwise completed incorrectly, but the Form of Acceptance is signed, it will be deemed to be an acceptance by such Cadbury Shareholder of the basic terms of the Final Offer in respect of the total number of certificated Cadbury Shares registered in his name; and if Box 2A or Box 2B is completed but Box 1 is not, there shall be deemed to be an acceptance of the Final Offer with an election under the Mix and Match Facility in respect of the number of Cadbury Shares inserted in Box 2A or Box 2B as the case may be and an acceptance of the basic terms of the Final Offer in respect of the remaining (if any) Cadbury Shares comprised in the acceptance;

- (b) that, unless he has written “No” in Box 5 of the Form of Acceptance either: (I) he is a US Holder or resident of Canada; or (II):
  - (i) he has not received or sent copies or originals of this document, the Original Offer Document, any Form of Acceptance or any other Offer-related documentation in, into, or from a Restricted Jurisdiction;
  - (ii) he has not, in connection with the Final Offer or the execution or delivery of the Form of Acceptance, utilised, directly or indirectly, the mails or any means or instrumentality (including,

without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or of any facilities of a national securities exchange of, any Restricted Jurisdiction;

- (iii) he is accepting the Final Offer from outside a Restricted Jurisdiction and was outside such jurisdictions when the Form of Acceptance was delivered;
  - (iv) he is not acting on a non-discretionary basis (as agent, nominee, custodian, trustee or otherwise) for or on behalf of a principal unless such principal has given any instructions with respect to the Final Offer from outside a Restricted Jurisdiction;
  - (v) he has, if such Cadbury Shareholder is a citizen, resident or national or subject to the laws of a jurisdiction outside the UK, the US, Canada, France, Ireland or Spain, observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all other necessary formalities and has not taken or omitted to take any action that will or may result in Kraft Foods, the Financial Advisers or any other person acting in breach of any legal or regulatory requirements of any such jurisdiction in connection with the Final Offer or his acceptance thereof; and
  - (vi) he has paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance (except for UK stamp duty or stamp duty reserve tax);
- (c) that he appoints Kraft Foods and the Financial Advisers and any of their respective directors as his agent and/or attorney (subject to the Final Offer becoming wholly unconditional and his not having validly withdrawn his acceptance) with an irrevocable instruction and authorisation to such attorney:
- (i) to complete and execute any form of transfer and/or renunciation and/or other document in relation to the Cadbury Shares referred to in paragraph (a)(i) of this Part C of this Appendix I and in respect of which the accepting Cadbury Shareholder has not validly withdrawn the acceptance in accordance with paragraph 4 of Part B of this Appendix I in favour of Kraft Foods or as it may direct;
  - (ii) to deliver any form of transfer and/or renunciation and/or other document with any certificate or other document of title for registration within six months of the Final Offer becoming wholly unconditional; and
  - (iii) to take any other action and do all such other acts and things as the agent and/or attorney may think necessary or expedient in connection with his acceptance of the Final Offer including, if relevant, the Mix and Match Facility and to vest in Kraft Foods (or as it may direct) the Cadbury Shares referred to in paragraph (a)(i) of this Part C of this Appendix I;
- (d) that the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes (subject to the Final Offer becoming wholly unconditional and to the accepting Cadbury Shareholders not having validly withdrawn his acceptance), a separate and irrevocable authority and request:
- (i) to Cadbury or its agents to procure the registration of the transfer of those Cadbury Shares referred to in paragraph (a)(i) of this Part C and the delivery of the share certificate(s) and other document(s) of title in respect of the Cadbury Shares to Kraft Foods or as it may direct;
  - (ii) subject to the provisions in paragraph 8 of Part B of this Appendix I, to Kraft Foods or its agents to procure the despatch by post (or by such other method as may be approved by the Panel) of any cash consideration and/or any documents of title or statement of ownership in respect of any New Kraft Foods Shares to which he is entitled under the Final Offer at his risk to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in Box 6B of the Form of Acceptance or, if no person or agent's name and address (outside a Restricted Jurisdiction) is set out, to the first-named holder at his registered address (outside a Restricted Jurisdiction);
  - (iii) unless such Cadbury Shareholder is resident in a CSN Restricted Jurisdiction, to Kraft Foods or its agents to issue any New Kraft Foods Shares to which such Cadbury Shareholder is entitled to Cede & Co (the nominee entity of DTC) as nominee for CREST International Nominees in consideration for the issue by CREST Depository Limited of CDIs representing such New Kraft

Foods Shares to the Corporate Nominee on behalf of such Cadbury Shareholder provided that Kraft Foods may (if for any reason it wishes to do so) determine that all or any of such New Kraft Foods Shares to which the Cadbury Shareholder is entitled shall be issued under the DRS;

- (iv) subject to the provisions of paragraph 8 of Part B of this Appendix I, to Kraft Foods or its agent to procure that Cede & Co is entered on the register of Kraft Foods in respect of any New Kraft Foods Shares to which he is entitled under the Final Offer in consideration of the issue by CREST Depository Limited of CDIs representing such New Kraft Foods Shares to the Corporate Nominee on behalf of the relevant Cadbury Shareholders (as described in paragraph 4.1 and 4.2 of Part 2 of this document); and
  - (v) if such Cadbury Shareholder has a registered address in a CSN Restricted Jurisdiction, and subject to the provisions of paragraph 8 of Part B of this Appendix I, to Kraft Foods or its agents to procure that his name is entered on the register of Kraft Foods under the DRS in respect of any New Kraft Foods Shares to which he is entitled under the Final Offer;
- (e) that he gives authority to any of Kraft Foods, any executive officer of, or person authorised by, Kraft Foods or the Financial Advisers within the terms of paragraph 5 of Part B of this Appendix I subject to the Final Offer becoming wholly unconditional and to the Cadbury Shareholder not having validly withdrawn his acceptance;
- (f) that, subject to the Final Offer becoming wholly unconditional and him not having validly withdrawn his acceptance (or if the Final Offer would become or be declared wholly unconditional or lapse immediately upon the outcome of the resolution in question or if the Panel otherwise gives its consent) and pending registration in the name of Kraft Foods or as it may direct, he:
- (i) authorises Kraft Foods to direct the exercise of any votes and any other rights and privileges (including the right to requisition the convening of a general or separate class meeting of Cadbury) attaching to the Cadbury Shares in respect of which the Final Offer has been accepted or is deemed to have been accepted;
  - (ii) authorises Cadbury and/or its agents to send any notice, circular, warrant or other document or communication which may be required to be sent to him as a member of Cadbury to Kraft Foods at its registered office;
  - (iii) authorises any director of, or person authorised by, Kraft Foods to sign any document and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Cadbury Shares held by him (including, without limitation, signing any consent to short notice of a general or separate class meeting as his agent and/or attorney and on his behalf and executing a form of proxy appointing any person nominated by Kraft Foods to attend general and separate class meetings of Cadbury and attending any such meeting (and any adjournment thereof) and exercising on his behalf the votes attaching to the Cadbury Shares in respect of which the Final Offer has been accepted or deemed to have been accepted, such votes to be cast so far as possible to satisfy any outstanding Condition of the Final Offer); and
  - (iv) agrees not to exercise any such rights without the consent of Kraft Foods and irrevocably undertakes not to appoint a proxy for or to attend such general or separate class meetings of Cadbury.

The authorities referred to in this paragraph (f) of this Part C of Appendix I will cease to be valid if the acceptance is withdrawn in accordance with paragraph 4 of Part B of this Appendix I;

- (g) that he will deliver to, or procure the delivery to, the Receiving Agent of his certificate(s) or other document(s) of title in respect of the Cadbury Shares in respect of which the Final Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or a satisfactory indemnity, as soon as possible and in any event within six months of the Final Offer becoming wholly unconditional;
- (h) that he will ratify everything which may be done or effected by any director of, or person authorised by, Kraft Foods or the Financial Advisers in the proper exercise of any of the powers and/or authorities under this Part C of this Appendix I;

- (i) that, if any provision of Part B of this Appendix I or this Part C of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Kraft Foods and the Financial Advisers or any of their respective directors or persons authorised by them, the benefit of the authorities and powers of attorney expressed to be given therein, he shall, as soon as practicable, do everything that may be required or desirable to enable Kraft Foods and the Financial Advisers and/or any of their respective directors or persons authorised by them to secure the full benefit of such authorities and powers of attorney;
- (j) that the terms and conditions of the Final Offer as set out in this document are deemed to be incorporated in, and form part of, the Form of Acceptance;
- (k) that he has the right to dispose of the Cadbury Shares comprised in the acceptance and that the Cadbury Shares will be acquired by Kraft Foods pursuant to the Final Offer fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and other interests of any nature whatsoever and together with all rights attaching to them on or after 9 November 2009, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after that date;
- (l) that, on execution, the Form of Acceptance takes effect as a deed and that the execution of the Form of Acceptance constitutes his submission to the jurisdiction of the courts of England and the US in relation to all matters arising in connection with the Final Offer and the Form of Acceptance; and
- (m) that he is not a client (as defined in the FSA Handbook) of any of the Financial Advisers in connection with the Final Offer.

A reference in this Part C of this Appendix I to a Cadbury Shareholder includes a reference to the person or persons executing the Form of Acceptance and in the event of more than one person executing a Form of Acceptance the provisions of this Part C of this Appendix I shall apply to them jointly and to each of them.

## **PART D: Electronic Acceptance for Cadbury Shares in uncertificated form**

**This Part D only applies to Cadbury Shares in uncertificated form. If you hold all your Cadbury Shares in certificated form you should ignore this Part D and instead read Part C. Relevant instructions for acceptances in respect of Cadbury Shares represented by Cadbury ADSs are set out in Part E.**

The following terms apply to the Final Offer. These terms are as set out in the Original Offer Document, except to the extent that they have been revised and supplemented to take into account the revision of the Original Offer.

Under the terms of the Final Offer, valid acceptances of the Original Offer are deemed to be acceptances of the Final Offer.

For the purpose of Part D of this Appendix I, the phrase “Cadbury Shares in uncertificated form comprised in the acceptance” shall mean the number of Cadbury Shares which are transferred by the relevant Cadbury Shareholder by Electronic Acceptance to an escrow account by means of a TTE Instruction.

Without prejudice to the provisions of Parts A and B of this Appendix I each Cadbury Shareholder by whom, or on whose behalf, an Electronic Acceptance is made (subject to the rights of withdrawal set out in this document), irrevocably undertakes, represents, warrants and agrees to and with Kraft Foods, the Financial Advisers and the Receiving Agent and so as to bind himself, his personal or legal representatives, heirs, successors and assigns to the following effect:

(a) that the Electronic Acceptance shall constitute:

- (i) an acceptance of the Final Offer in respect of the number of Cadbury Shares in uncertificated form to which a Basic Final Offer TTE Instruction or Mix and Match TTE Instruction (as the case may be) relates;
- (ii) an election under the Mix and Match Facility to receive, subject to availability as a result of offsetting elections, additional New Kraft Foods Shares instead of cash, or additional cash instead of New Kraft Foods Shares, in each case to which he would otherwise be entitled under the basic terms of the Final Offer, in respect of the number of Cadbury Shares in uncertificated form to which a Mix and Match TTE Instruction relates; and
- (iii) an undertaking to execute any documents, take any further action and give any further assurances which may be required to enable Kraft Foods to obtain the full benefit of Part D of this Appendix I and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with his acceptance of the Final Offer,

in each case on and subject to the terms and conditions set out or referred to in this document and that, subject only to the rights of withdrawal set out in paragraph 4 of Part B of this Appendix I, each such acceptance shall be irrevocable;

(b) that such Cadbury Shareholder either: (I) is a US Holder or resident of Canada; or (II):

- (i) has not received or sent copies or originals of this document, the Original Offer Document, any Form of Acceptance, or any other Final Offer-related documentation in, into or from a Restricted Jurisdiction;
- (ii) has not, in connection with the Final Offer, utilised, directly or indirectly, the mails of, or any means or instrumentality (including without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or of any facilities of a national securities exchange of, any Restricted Jurisdiction;
- (iii) is accepting the Final Offer from outside a Restricted Jurisdiction and was outside such jurisdictions at the time of the input and settlement of the relevant TTE Instruction(s);
- (iv) is not acting on a non-discretionary basis (as agent, nominee, custodian, trustee or otherwise) for or on behalf of a principal unless such principal has given any instructions with respect to the Final Offer from outside a Restricted Jurisdiction;

- (v) has, if such Cadbury Shareholder is a citizen, resident or national or subject to the laws of a jurisdiction outside the UK, the US, Canada, France, Ireland or Spain, observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all other necessary formalities and has not taken or omitted to take any action that will or may result in Kraft Foods, the Financial Advisers or any other person acting in breach of any legal or regulatory requirements of any such jurisdiction in connection with the Final Offer or his acceptance thereof; and
  - (vi) has paid any issue, transfer or other taxes or other requisite payments due in any jurisdiction in connection with such acceptance (except for UK stamp duty or stamp duty reserve tax);
- (c) that the Electronic Acceptance constitutes the irrevocable appointment of the Escrow Agent as such Cadbury Shareholder's agent and/or attorney and an irrevocable instruction and authority to the Escrow Agent:
- (i) subject to the Final Offer becoming wholly unconditional and to the relevant Cadbury Shareholder not having validly withdrawn his acceptance, to transfer to itself (or to such other person or persons as Kraft Foods or its agents may direct) by means of CREST all or any of the Cadbury Shares in uncertificated form to which such Electronic Acceptance relates (but not exceeding the number of Cadbury Shares in uncertificated form in respect of which the Final Offer is accepted or deemed to be accepted); and
  - (ii) if the Final Offer does not become unconditional, to give instructions to Euroclear, immediately after the lapsing of the Final Offer (or within such longer period as the Panel may permit, not exceeding 14 calendar days following the lapsing of the Final Offer), to transfer all such Cadbury Shares to the original available balance of the accepting Cadbury Shareholder;
- (d) that the Electronic Acceptance constitutes (subject to the Final Offer becoming wholly unconditional and to the accepting Cadbury Shareholder not having validly withdrawn his acceptance) a separate irrevocable authority and request:
- (i) to Kraft Foods or its agents to procure the making of a CREST payment obligation in favour of the Cadbury Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such Cadbury Shareholder is entitled pursuant to his acceptance of the Final Offer, provided that:
    - (A) Kraft Foods may (if, for any reason, it wishes to do so) determine that all or any part of such cash consideration shall be paid by cheque despatched by post (or by such other method as may be approved by the Panel); and
    - (B) if the Cadbury Shareholder concerned is a CREST member whose registered address is in a Restricted Jurisdiction, any cash consideration to which such Cadbury Shareholder is entitled (following a determination that payment of such consideration would not constitute a breach of any securities or other legislation of such jurisdiction) shall be paid by cheque despatched by post (or by such other method as may be approved by the Panel);
  - (ii) to Kraft Foods or its agents to issue any New Kraft Foods Shares to which such Cadbury Shareholder is entitled to Cede & Co (the nominee entity of DTC) as nominee for CREST International Nominees in consideration for the issue by CREST Depository Limited of CDIs representing such New Kraft Foods Shares to such Cadbury Shareholder provided that Kraft Foods may (if for any reason it wishes to do so) determine that all or any of such New Kraft Foods Shares to which the Cadbury Shareholder is entitled shall be issued under the DRS; and
  - (iii) subject to the provisions of paragraph 8 of Part B of this Appendix I, to Kraft Foods or its agents to procure that Cede & Co. is entered on the register of Kraft Foods in respect of the New Kraft Foods Shares in which he is entitled under the Final Offer in consideration of the issue by CREST Depository Limited of CDIs representing such New Kraft Foods Shares to the relevant Cadbury Shareholder (as described in paragraph 4.1 of Part 2 of this document);

- (e) that he gives authority to any of Kraft Foods, any executive officer of, or person authorised by, Kraft Foods or the Financial Advisers within the terms of paragraph 5 of Part B of this Appendix I subject to the Final Offer becoming wholly unconditional and to the Cadbury Shareholder not having validly withdrawn his acceptance;
- (f) that, subject to the Final Offer becoming wholly unconditional and him not having validly withdrawn his acceptance (or if the Final Offer would become or be declared wholly unconditional or lapse immediately upon the outcome of the resolution in question or if the Panel otherwise gives its consent) and pending registration in the name of Kraft Foods or as it may direct, he:
  - (i) authorises Kraft Foods to direct the exercise of any votes and any other rights and privileges (including the right to requisition the convening of a general or separate class meeting of Cadbury) attaching to the Cadbury Shares in respect of which the Final Offer has been accepted or is deemed to have been accepted;
  - (ii) authorises Cadbury and/or its agents to send any notice, circular, warrant or other document or communication which may be required to be sent to him as a member of Cadbury to Kraft Foods at its registered office;
  - (iii) authorises any director of, or person authorised by, Kraft Foods to sign any document and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Cadbury Shares held by him (including, without limitation, signing any consent to short notice of a general or separate class meeting as his agent and/or attorney and on his behalf and executing a form of proxy appointing any person nominated by Kraft Foods to attend general and separate class meetings of Cadbury and attending any such meeting (and any adjournment thereof) and exercising on his behalf the votes attaching to the Cadbury Shares in respect of which the Final Offer has been accepted or deemed to have been accepted, such votes to be cast so far as possible to satisfy any outstanding condition of the Final Offer); and
  - (iv) agrees not to exercise any such rights without the consent of Kraft Foods and irrevocably undertakes not to appoint a proxy for or to attend such general or separate class meetings of Cadbury.

The authorities referred to in this paragraph (f) of this Part D of this Appendix I will cease to be valid if the acceptance is withdrawn in accordance with paragraph 4 of Part B of this Appendix I;

- (g) that if, for any reason, any Cadbury Shares in respect of which a transfer to escrow instruction has been effected in accordance with paragraph 1.2 of Section A of Part 2 are converted to certificated form, he will (without prejudice to paragraph (c)(i) of this Part D of this Appendix I) immediately deliver or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such Cadbury Shares so converted to the Receiving Agent at the address and in the manner referred to in paragraph 4(g) of Part B of this Appendix I or as Kraft Foods or its agents may direct and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part C of this Appendix I in relation to such Cadbury Shares without prejudice to the application (to the extent deemed appropriate by Kraft Foods) of this Part D of this Appendix I;
- (h) that the creation of a CREST payment obligation in favour of his payment bank in accordance with CREST payment arrangements referred to in paragraph (d) of this Part D of this Appendix I shall discharge in full any obligation of Kraft Foods to pay to him the cash consideration to which he is entitled pursuant to the Final Offer;
- (i) that he will ratify everything which may be done or effected by any director of, or person authorised by Kraft Foods or the Financial Advisers or the Receiving Agent in the proper exercise of any of the powers and/or authorities under this Part D of this Appendix I;
- (j) that he will take (or procure to be taken) the action set out in paragraph 1 of Section A of Part 3 and to transfer all of the Cadbury Shares held by him in uncertificated form and in respect of which the Final Offer has been accepted or deemed to have been accepted and in respect of which such acceptance has not been validly withdrawn to an escrow balance as soon as possible and in any event so that the transfer to escrow settles within six months of the Final Offer becoming wholly unconditional;

- (k) that, if any provision of Part B of this Appendix I or this Part D of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Kraft Foods, the Financial Advisers, the Receiving Agent or any of their respective directors or persons authorised by them the benefit of the authorities and powers of attorney expressed to be given therein, he shall, as soon as practicable, do everything that may be required or desirable to enable Kraft Foods, the Financial Advisers, the Receiving Agent and/or any of their respective directors or persons authorised by them to secure the full benefit of such authorities and powers of attorney;
- (l) that the making of an Electronic Acceptance constitutes his submission to the jurisdiction of the courts of England and the US in relation to all matters arising in connection with the Final Offer and the Electronic Acceptance;
- (m) that he has the right to dispose of the Cadbury Shares comprised in the acceptance and that the Cadbury Shares will be acquired by Kraft Foods pursuant to the Final Offer fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and other interests of any nature whatsoever and together with all rights attaching to them on or after 9 November 2009, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after that date; and
- (n) that he is not a client (as defined in the FSA Handbook) of any of the Financial Advisers in connection with the Final Offer.

A reference in this Part D of this Appendix I to a Cadbury Shareholder shall include references to the person or persons making an Electronic Acceptance and in the event of more than one person making an Electronic Acceptance the provisions of this Part D of this Appendix I shall apply to them jointly and to each of them.

## **PART E: Acceptance for Cadbury Shares represented by Cadbury ADSs**

**This Part E only applies to Cadbury Shares represented by Cadbury ADSs. If none of your Cadbury Shares are represented by Cadbury ADSs you should ignore this Part E and instead read Parts C or D.**

The following terms apply to the Final Offer. These terms are as set out in the Original Offer Document, except to the extent that they have been revised and supplemented to take into account the revision of the Original Offer.

Under the terms of the Final Offer, valid acceptances of the Original Offer are deemed to be acceptances of the Final Offer.

In this document, unless the context requires otherwise, “ADS Letter of Transmittal” includes the Final ADS Letter of Transmittal, and the Original ADS Letter of Transmittal.

Without prejudice to the terms of the ADS Letter of Transmittal and the provisions of Parts A and B of this Appendix I, by executing the ADS Letter of Transmittal or delivering an Agent’s Message to the US Exchange Agent:

- (a) upon, and subject to, the Conditions to and terms of the Final Offer, and effective on the Final Offer becoming wholly unconditional (at which time Kraft Foods will give notice thereof to the US Exchange Agent), and if the tendering holder of Cadbury ADSs has not validly withdrawn his acceptance:
  - (i) such tendering holder of Cadbury ADSs sells, assigns and transfers to, or upon the order of, Kraft Foods all right, title and interest in and to all Cadbury ADSs with respect to which the Final Offer is accepted; and
  - (ii) such tendering holder of Cadbury ADSs irrevocably constitutes and appoints Kraft Foods and its officers, directors and designated agents, including the US Exchange Agent, the true and lawful agent and attorney-in-fact of the tendering holder of Cadbury ADSs with respect to such Cadbury ADSs, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to, in Kraft Foods’ sole discretion:
    - (A) have the Cadbury ADRs evidencing Cadbury ADSs delivered to the US Exchange Agent or, if tender is by book-entry transfer, transfer Cadbury ADSs to the account of the US Exchange Agent at the Book-Entry Transfer Facility, together in any such case with all accompanying evidences of transfer and authenticity upon the order of Kraft Foods;
    - (B) surrender, for the benefit of or upon the order of Kraft Foods, such Cadbury ADRs evidencing such Cadbury ADSs, or such Cadbury ADSs maintained on the account books at the Book-Entry Transfer Facility to the ADS Depository, together with all accompanying evidences of transfer and authenticity, for withdrawal of the underlying Cadbury Shares in accordance with the Deposit Agreement;
    - (C) instruct the ADS Depository to transfer the Cadbury Shares represented by such Cadbury ADSs to an account or accounts designated by the US Exchange Agent;
    - (D) present Cadbury Shares represented by such Cadbury ADSs for transfer on the books of Cadbury; and/or
    - (E) receive all benefits and otherwise exercise all rights of beneficial ownership of such Cadbury ADSs or Cadbury Shares represented by such Cadbury ADSs;
- (b) the tendering holder of Cadbury ADSs agrees that, effective from and after the date of such execution or, if later, the date on which all Conditions to the Final Offer are satisfied, fulfilled or, where permitted, waived:
  - (i) Kraft Foods or its agents shall be entitled to direct the exercise of any votes attaching to Cadbury Shares represented by any Accepted ADSs and any other rights and privileges attaching to such Cadbury Shares, including any right to requisition a general meeting of Cadbury or the holders of any class of its securities;

- (ii) such holder is granting the authority to any executive officer of, or person authorised by, Kraft Foods or its designated agents (including the Financial Advisers) within the terms of paragraph 5 of Part B of this Appendix I;
  - (iii) the execution of the ADS Letter of Transmittal by a holder of Cadbury ADSs (together with any signature guarantees) and its delivery to the US Exchange Agent, or, in the case of Cadbury ADSs in book-entry form, book-entry transfer of Cadbury ADSs to the account maintained by the US Exchange Agent at the Book-Entry Transfer Facility and delivery of an Agent's Message, shall constitute in respect of Accepted ADSs:
    - (A) an authority to Cadbury, the ADS Depositary and/or their respective agents from the holder of Accepted ADSs to send any notice, circular, warrant, document or other communications that may be required to be sent to him as a holder of Cadbury ADSs to Kraft Foods at its registered office;
    - (B) an authority to Kraft Foods or its agent to sign any consent to short notice of a general meeting or separate class meeting on behalf of the holder of Accepted ADSs and/or to execute a form of proxy in respect of the Accepted ADSs appointing any person nominated by Kraft Foods to attend general meetings and separate class meetings of Cadbury or any adjournment thereof and to exercise the votes attaching to Cadbury Shares represented by such Accepted ADSs on his behalf; and
    - (C) the agreement of the tendering holder of Accepted ADSs not to exercise any such rights without the consent of Kraft Foods and the irrevocable undertaking of such tendering holder of Accepted ADSs not to appoint a proxy for or to attend any such general meetings or separate class meetings; and
  - (iv) that, in the case of Cadbury ADSs in book-entry form, the creation of a DTC payment obligation in favour of his payment bank in accordance with DTC payment arrangements shall discharge in full any obligation of Kraft Foods to pay him the cash portion of the purchase price to which he is entitled pursuant to the Final Offer;
- (c) the tendering holder of Cadbury ADSs represents and warrants that the tendering holder of Accepted ADSs has the full power and authority to accept the Final Offer and to tender, sell, assign and transfer such holder's Cadbury ADSs tendered in the Final Offer and that Kraft Foods will acquire good title thereto, free from all liens, charges, equitable interests, encumbrances, rights of pre-emption, other third party rights and other interests of any nature whatsoever and together with all rights attaching thereto on or after 9 November 2009, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after that date with respect to Cadbury Shares represented by Cadbury ADSs. The tendering holder of Accepted ADSs will, upon request, execute any additional documents and take all other such necessary actions as deemed by the US Exchange Agent or Kraft Foods to be necessary or desirable to complete the sale, assignment and transfer of Cadbury ADSs in respect of which the Final Offer is being accepted and, for the avoidance of doubt, to perfect any of the authorities expressed to be given hereunder and/or secure the full benefit of the authorities and powers of attorney expressed to be granted by the ADS Letter of Transmittal or this Appendix I;
- (d) the tendering holder of Cadbury ADSs irrevocably undertakes, represents and warrants to and agrees with Kraft Foods to the effect that such tendering holder of Accepted ADSs:
- (i) has not received or sent copies or originals of the US Final Offer Document or the ADS Letter of Transmittal or any related offering documentation in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction;
  - (ii) has not used in connection with the Final Offer or the execution or delivery of the ADS Letter of Transmittal, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, email, facsimile transmission, telex and telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction;

- (iii) is accepting the Final Offer from outside any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction; and
  - (iv) is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Final Offer from outside any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction; and
- (e) subject to the Final Offer becoming wholly unconditional, the US Exchange Agent, as his representative, will, upon the request of Kraft Foods, instruct the ADS Depositary on his behalf to withdraw the Cadbury Shares represented by his tendered Cadbury ADSs and to deliver these Cadbury Shares to the account or accounts designated by the US Exchange Agent. **At such time, the ADS Depositary will assess the Withdrawal Fee (i.e. US\$0.05 per Cadbury ADS) which will be deducted from the cash consideration payable to the Cadbury ADS Holder.**

## APPENDIX II: KRAFT FOODS PROFIT ESTIMATE

### PART A: PROFIT ESTIMATE FOR THE KRAFT FOODS GROUP FOR THE YEAR ENDED 31 DECEMBER 2009

#### 1. GENERAL

Kraft Foods made the following public statement on 12 January 2010 within a public announcement: “*Kraft Foods increased its guidance for 2009 diluted earnings per share to at least US\$2.00 versus the previous expectation of at least US\$1.97*”.

Diluted earnings per share is defined as net earnings attributable to Kraft Foods divided by weighted average diluted shares. Weighted average shares for diluted earnings per share adds back incremental shares from assumed conversions of stock options, net of assumed share repurchases and LTIP shares to the weighted average shares of basic earnings per share.

The statement regarding diluted earnings per share for the year ended 31 December 2009 constitutes a profit estimate for the purposes of the Takeover Code (the “**Profit Estimate**”). The Kraft Foods Directors have considered and reconfirm the Profit Estimate.

The Profit Estimate includes an estimate for certain costs in connection with Kraft Foods’ possible combination with Cadbury that are recognisable under US GAAP.

The Profit Estimate comprises diluted earnings per share rather than statutory earnings from continuing operations before income taxes, as diluted earnings per share is one of the primary profit measures historically used by Kraft Foods in its external reporting.

#### 2. BASIS OF PREPARATION

The Profit Estimate has been prepared on a basis consistent with the accounting policies of Kraft Foods, which are in accordance with US GAAP and those which Kraft Foods anticipates will be applicable for the full year ended 31 December 2009.

The Kraft Foods Directors have prepared the Profit Estimate based on the unaudited interim condensed consolidated financial statements for the nine months ended 30 September 2009, the unaudited management accounts for the two months ended 30 November 2009 and an estimate of the results for Kraft Foods for the one month period ended 31 December 2009.

## PART B: REPORTS ON KRAFT FOODS PROFIT ESTIMATE

### (1) FROM PRICEWATERHOUSECOOPERS LLP



PricewaterhouseCoopers LLP  
One North Wacker Drive  
Chicago, Illinois 60606

The Directors  
Kraft Foods Inc.  
Three Lakes Drive  
Northfield, Illinois, 60093  
United States of America

Lazard & Co., Limited  
50 Stratton Street  
London, W1J 8LL  
United Kingdom

Centerview Partners UK LLP  
Ryder Court  
14 Ryder Street  
London, SW1Y 6QB  
United Kingdom

Citigroup Global Markets Limited  
Citigroup Centre  
London, E14 5LB  
United Kingdom

Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London, EC2N 2DB  
United Kingdom

19 January 2010

Dear Sirs

#### **Kraft Foods Inc.**

We report on the profit estimate comprising the statement by Kraft Foods Inc. (“**Kraft Foods**”) in respect of diluted earnings per share of Kraft Foods and its consolidated subsidiaries (together the “**Kraft Foods Group**”) for the year ended 31 December 2009 (the “**Profit Estimate**”). The Profit Estimate and the basis on which it is prepared, is set out in Part A of Appendix II: Profit Estimate of the revised offer document issued by Kraft Foods dated 19 January 2010 (the “**Revised Offer Document**”).

This report is required by Rule 28.3(b) of the City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers (the “**Takeover Code**”) and is given for the purpose of complying with that rule and for no other purpose.

#### **Responsibilities**

It is the responsibility of the directors of Kraft Foods (the “**Kraft Foods Directors**”) to prepare the Profit Estimate in accordance with the requirements of the Takeover Code. In preparing the Profit Estimate the Kraft Foods Directors are responsible for correcting errors that they have identified which may have arisen in unaudited financial results and unaudited management accounts used as the basis of preparation for the Profit Estimate.

It is our responsibility to form an opinion as required by Rule 28.3(b) of the Takeover Code as to the proper compilation of the Profit Estimate and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed or to the shareholders of Cadbury plc as a result of the inclusion of this report in the Revised Offer Document under Rule 28.3(b) of the Takeover Code, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 28.4 of the Takeover Code, consenting to its inclusion in the Revised Offer Document.

### **Basis of Preparation of the Profit Estimate**

The Profit Estimate has been prepared on the basis stated in Part A of Appendix II: Profit Estimate of the Revised Offer Document and is based on the unaudited interim financial results for the nine months ended 30 September 2009, the unaudited management accounts for the two months ended 30 November 2009 and an estimate of the results of Kraft Foods for the one month ended 31 December 2009. The Profit Estimate is required to be presented on a basis consistent with the accounting policies of the Kraft Foods Group.

### **Basis of Opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included evaluating the basis on which the historical financial information for the eleven months to 30 November 2009 included in the Profit Estimate has been prepared and considering whether the Profit Estimate has been accurately computed using that information and whether the basis of accounting used is consistent with the accounting policies of the Kraft Foods Group.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Estimate has been properly compiled on the basis stated.

However, the Profit Estimate has not been audited. The actual results reported, therefore, may be affected by revisions required to accounting estimates due to changes in circumstances, the impact of unforeseen events and the correction of errors in the interim financial results or management accounts. Consequently we can express no opinion as to whether the actual results achieved will correspond to those shown in the Profit Estimate and the difference may be material.

Our work on the Profit Estimate does not constitute an audit. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America, or other jurisdictions (other than in the United Kingdom), nor the auditing standards and practices of the Public Company Accounting Oversight Board (United States), nor does it constitute an examination, compilation or review under those standards and practices. Accordingly, it should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion**

In our opinion, the Profit Estimate has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Kraft Foods Group.

Yours faithfully

PricewaterhouseCoopers LLP

**(2) FROM THE KRAFT FOODS FINANCIAL ADVISERS**

Lazard & Co., Limited  
50 Stratton Street  
London  
W1J 8LL  
United Kingdom

Centerview Partners UK LLP  
Ryder Court  
14 Ryder Street  
London  
SW1 6QB  
United Kingdom

Citigroup Global Markets Limited  
Citigroup Centre  
Canada Square  
London  
E14 5LB  
United Kingdom

Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London  
EC2N 2DB  
United Kingdom

To: The Directors  
Kraft Foods Inc.  
Three Lakes Drive  
Northfield  
Illinois  
60093  
United States of America

19 January 2010

Dear Sirs

**Report on profit estimate by Kraft Foods Inc.**

We refer to the profit estimate comprising the statement by Kraft Foods Inc. (“**Kraft Foods**”) in respect of the diluted earnings per share of Kraft Foods and its consolidated subsidiaries (together the “**Kraft Foods Group**”) for the year ending 31 December 2009 (the “**Profit Estimate**”).

We have discussed the Profit Estimate and the basis on which it has been prepared with the executive officers of Kraft Foods and with PricewaterhouseCoopers LLP. Kraft Foods has confirmed to us that all information relevant to the Profit Estimate has been disclosed to us. We have relied upon the accuracy and completeness of all such information and have assumed such accuracy and completeness for the purposes of providing this letter to you. We have also discussed the accounting policies and basis of calculation for the Profit Estimate with the executive officers of Kraft Foods and with PricewaterhouseCoopers LLP and we have considered PricewaterhouseCoopers LLP’s letter dated 19 January 2010 addressed to you and us on this matter.

This letter to you is solely in connection with Rule 28.3(b) of the City Code on Takeovers and Mergers and for no other purpose. Accordingly, save for any responsibility that we may have to those persons to whom this letter is expressly addressed, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person for any loss suffered by any such person as a result of, or in connection with, this letter.

On the basis of the foregoing, we consider that the Profit Estimate, for which you in your capacity as directors are solely responsible, for the purposes of the City Code on Takeovers and Mergers, has been prepared with due care and consideration by the directors.

Yours faithfully,

for and on behalf of

Lazard & Co., Limited

Centerview Partners UK LLP

Citigroup Global Markets Limited

Deutsche Bank AG, London Branch

### APPENDIX III: SOURCES OF INFORMATION AND BASES OF CALCULATION

- (a) Unless otherwise stated, financial and other information concerning Cadbury and Kraft Foods has been extracted from published sources or from Kraft Foods' management sources.
- (b) Cadbury's issued and to be issued share capital is based upon 1,373,872,386 Cadbury Shares in issue as at 18 January 2010 as disclosed by Cadbury in its Regulatory Information Service announcement made in accordance with Rule 2.10 of the Takeover Code dated 18 January 2010 and 39,310,631 Cadbury Shares that could be issued to satisfy the exercise and vesting of options and awards under the Cadbury Share Schemes (assuming exercise and vesting of such options and awards in full) as at the close of business on 14 January 2010 based on the figure of 39,478,935 Cadbury Shares disclosed in the Cadbury Second Defence Document as updated by figures disclosed on behalf of Cadbury to Lazard & Co., Limited on 15 January 2010 for the purposes of Note 3 on Rule 10 of the Takeover Code.
- (c) The stated share prices of Cadbury are based on the closing middle-market prices as derived from the daily official list of the London Stock Exchange on any particular date.
- (d) The stated exchange rate of US\$1.63 to £1.00 is as quoted by WM / Reuters on 18 January 2010.
- (e) The share prices of Kraft Foods are based on the closing prices provided by the NYSE on any particular date.
- (f) The Final Offer value per Cadbury Share is based on the cash value of 500 pence and 0.1874 New Kraft Foods Shares offered per Cadbury Share, the Kraft Foods closing share price of US\$29.58 as at 15 January 2010 and the exchange rate of US\$1.63 to £1.00 (as quoted by the NYSE and WM / Reuters on 18 January 2010, the last trading day preceding this document).
- (g) The issuance of New Kraft Foods Shares and their value as a percentage of the existing and enlarged share capital is based on:
  - (i) 1,413,183,017 Cadbury Shares in issue and to be issued as in (b) above;
  - (ii) the number of New Kraft Foods Shares offered for each Cadbury Share pursuant to the Final Offer resulting in 264,830,497 Kraft Foods Shares in total being issued to Cadbury Securityholders;
  - (iii) 1,478,590,016 Kraft Foods Shares in issue as announced by Kraft Foods on 18 January 2010 for the purpose of Rule 2.10 of the Takeover Code; and
  - (iv) the enlarged issued share capital of 1,743,420,513 Kraft Foods Shares (which is the sum of (g)(ii) and (h)(iii) above).
- (h) The stated Final Offer enterprise value to underlying 2009 EBITDA multiple of 13.0 times is based on:
  - (i) Cadbury's stated estimate of underlying 2009 EBITDA in the Cadbury Second Defence Document, where Cadbury states that its estimate comprises underlying profit and underlying depreciation and amortisation. Underlying is defined by Cadbury to mean adjusted for restructuring costs, non-trading items, amortisation and impairment of acquisition intangibles, derivative accounting and any associated tax effect; and
  - (ii) an estimated enterprise value of £13.3 billion, based on the sum of Cadbury's net debt (excluding hedging instruments) of £1,375 million minus adjustments of £9 million for book value of associates, trade investments and minority interests as at 31 December 2009, plus £141 million for the cost of the Special Dividend minus £99 million which would be received from the exercise of options pursuant to the adjustment to the number of shares as stated in (b) if all options that Cadbury has disclosed as outstanding as at 14 January 2010 were exercised in full (the amount actually received by Cadbury will depend on the extent to which options vest and the extent to which vested options are exercised and is likely to be lower than the maximum amount) and an Offer value of £11.9 billion (as justified by (b), (d) and (e) above).
- (i) The statement that Kraft Foods has historically traded on a current year price earnings multiple broadly in line with that of the S&P 500 Index is based on the average current year price earnings multiples over the five year period ended 15 January 2010 (the last trading day preceding this document) for Kraft Foods and the S&P 500 Index of 16.2 times and 15.7 times respectively as sourced from Factset.

- (j) The increase of approximately 5.3% in the price of Kraft Foods Shares from 4 September 2009 to 15 January 2010 is based on the closing share price of US\$28.10 per Kraft Foods Share on 4 September 2009 (the last Business Day preceding the announcement by Kraft Foods of a possible offer for Cadbury) and the closing share price of US\$29.58 per Kraft Foods Share on 15 January 2010 (the last trading day preceding this document).
- (k) The increase in the S&P 500 Index of approximately 11.8% from 4 September 2009 to 15 January 2010 is based on the closing S&P 500 Index value of 1,016 on 4 September 2009 (the last Business Day preceding the announcement by Kraft Foods of a possible offer for Cadbury) and the closing S&P 500 Index value of 1,136 on 15 January 2010 (the last trading day preceding this document) as sourced from Datastream.
- (l) The stated historical 2009 price earnings ratio of Kraft Foods of 14.8 times is based on the closing share price of US\$29.58 per Kraft Foods Share as at 15 January 2010 (the last trading day preceding this document) and the Kraft Foods guidance for 2009 diluted earnings per share of at least US\$2.00<sup>Φ</sup>. The historical 2009 price earnings multiple of the S&P 500 Index of 24.4 times is sourced from Factset as at 15 January 2010 (the last trading day preceding this document).
- (m) The quoted analyst consensus price target for Kraft Foods of US\$32.67 and percentage of “buy” or “hold” recommendations of 92% are sourced from Bloomberg as at 15 January 2010 (the last trading day preceding this document).
- (n) The stated dividend yield of approximately 4% for Kraft Foods is sourced from Bloomberg as at 15 January 2010 (the last trading day preceding this document).
- (o) The statement that Kraft Foods expects the Final Offer will be approximately US\$0.05 accretive to earnings per share on a cash basis in 2011 is based on Kraft Foods’ internal projections for the Kraft Foods Group and those of the Combined Group.
- (p) The statement that Kraft Foods expects the Final Offer will deliver a mid teens return on investment is based on Kraft Foods’ internal projections for the Kraft Foods Group and those of the Combined Group.

---

<sup>Φ</sup> The updated diluted earnings per share profit estimate was announced on 12 January 2010 and reported on for the purposes of the Takeover Code by PricewaterhouseCoopers LLP and by the Financial Advisers. The updated profit estimate and copies of the accompanying reports are set out in Appendix II.

## APPENDIX IV: ADDITIONAL INFORMATION

### 1. Responsibility

- 1.1 The Kraft Foods Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document, other than that contained in paragraph 3 of Part 1, and paragraphs 2.2, 4(a)(v), 4(b)(iii), 4(c)(ii), 4(d)(ii), 4(g), 4(h)(iv)-(viii), 9 and 10(xiv)-(xvi) of this Appendix IV. To the best of the knowledge and belief of the Kraft Foods Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Cadbury Directors, whose names are set out in paragraph 2.2 below, accept responsibility for the information contained in paragraph 3 of Part 1, paragraph 1 of Section C of Part 2, and paragraphs 2.2, 4(a)(v), 4(b)(iii), 4(c)(ii), 4(d)(ii), 4(g), 4(h)(iv)-(viii), 6, 9 and 10(xiv)-(xvi) of this Appendix IV. To the best of the knowledge and belief of the Cadbury Directors (who have taken all reasonable care to ensure that such is the case), the information for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

### 2. Kraft Foods Directors and Cadbury Directors

- 2.1 The Kraft Foods Directors and their positions in Kraft Foods are as follows:

<u>Name</u>	<u>Position</u>
Irene B. Rosenfeld	Director, Chairman and Chief Executive Officer
Ajaypal S. Banga	Director
Myra M. Hart	Director
Lois D. Juliber	Director
Mark D. Ketchum	Director
Richard A. Lerner, M.D.	Director
Mackey J. McDonald	Director
John C. Pope	Director
Fredric G. Reynolds	Director
Jean-Francois M. L. van Boxmeer	Director
Deborah C. Wright	Director
Frank G. Zarb	Director

The business address of the Kraft Foods Directors is: Three Lakes Drive, Northfield, Illinois 60093, United States of America.

- 2.2 The Cadbury Directors and their positions in Cadbury are as follows:

<u>Name</u>	<u>Position</u>
Roger Carr	Chairman
Todd Stitzer	Chief Executive Officer
Andrew Bonfield	Chief Financial Officer
Dr. Wolfgang Berndt	Non-Executive Director
Colin Day	Non-Executive Director
Baroness Hogg	Non-Executive Director
Lord Christopher Patten	Non-Executive Director
Raymond Viault	Non-Executive Director
Guy Elliot	Senior Independent Non-Executive Director

The business address of the Cadbury Directors is: Cadbury House, Sanderson Road, Uxbridge, UB8 1DH, United Kingdom.

### 3. Market quotations

Set out below are the NYSE Closing Prices of a Kraft Foods Share and the Closing Prices of a Cadbury Share on:

- (i) the first dealing day in each of the six months immediately before the date of this document;
- (ii) 4 September 2009 (the last dealing day before the commencement of the Offer Period);

- (iii) 15 January 2010 (the latest practicable date before the publication of this document).

<u>Date</u>	<u>Kraft Foods Shares</u> (US\$)	<u>Cadbury Shares</u> (pence)
3 August 2009	28.20	587.5
1 September 2009	28.07	577.0
4 September 2009	28.10	568.0
1 October 2009	25.99	803.5
2 November 2009	27.64	781.0
1 December 2009	26.50	806.0
4 January 2010	27.43	805.0
15 January 2010	29.58	793.5

#### 4. Interests and dealings

The terms defined in paragraph 4 of Appendix VII of the Original Offer Document shall have the same meaning in this paragraph 4 unless the context otherwise requires, save that in this paragraph 4:

“**Cadbury disclosure period**” means the period commencing on 7 September 2009 (being the date of commencement of the Offer Period) and ending on 15 January 2010 (the latest practicable date before the publication of this document);

“**Kraft Foods disclosure period**” means the period commencing on 7 September 2008 (being the date 12 months prior to the commencement of the Offer Period) and ending on 14 January 2010 (the latest practicable date before the publication of this document); and

“**connected advisers**” includes an organisation which (i) is advising Kraft Foods or Cadbury as applicable in relation to the Final Offer; (ii) is corporate broker to Kraft Foods or Cadbury as applicable; (iii) is advising a person acting in concert with Kraft Foods or Cadbury as applicable in relation to the Final Offer or in relation to the matter which is the reason for that person being a member of the relevant concert party; or (iv) is advising a relevant company in relation to the Final Offer.

(a) *Interests in relevant securities of Kraft Foods*

- (i) As at the close of business on 14 January 2010 (being the latest practicable date before publication of this document), the interests in and rights to subscribe in respect of relevant securities of Kraft Foods held by Kraft Foods Directors and their immediate families and related trusts and companies, all of which are beneficial unless otherwise stated, in relevant securities of Kraft Foods, were as follows:

<u>Relevant securities of Kraft Foods</u>				
<u>Name</u>	<u>No. of Kraft Foods Shares</u>	<u>No. of Restricted Shares<sup>(1)</sup></u>	<u>No. of Deferred Shares<sup>(2)</sup></u>	<u>Other interests in Kraft Foods Shares</u>
Irene B. Rosenfeld	100,996 <sup>(3)</sup>	674,464 <sup>(4)</sup>	-	-
Ajaypal S. Banga	-	-	13,279	-
Myra M. Hart	7,002	-	5,149	-
Lois D. Juliber	2,309	-	9,452	-
Mark D. Ketchum	-	-	13,279	-
Richard A. Lerner, M.D.	-	-	21,283	1,874 <sup>(5)</sup>
Mackey J. McDonald	3,145 <sup>(6)</sup>	-	-	-
John C. Pope	22,054 <sup>(7)</sup>	4,989 <sup>(8)</sup>	-	-
Fredric G. Reynolds	30,000	-	9,452	-
Jean-Francois M. L. van Boxmeer	-	-	-	-
Deborah C. Wright	14,032	-	9,452	-
Frank G. Zarb	8,102 <sup>(9)</sup>	4,989 <sup>(10)</sup>	-	-

- (1) Restricted Shares are Kraft Foods Shares that have been awarded to a Kraft Foods Director pursuant to a compensation plan but that have not vested. Restricted shares will vest and become transferable upon satisfaction of conditions under which they have been awarded, and are subject to forfeiture in the event that the Kraft Foods Director ceases to be a director of Kraft Foods prior to the end of the stated restriction period. Restricted shares carry voting rights and the right to receive dividends but cannot be traded until they vest.

- (2) Deferred Shares are Kraft Foods Shares that a Kraft Foods Director has elected to defer until a specified date or termination of service as a Kraft Foods Director. Deferred shares accumulate dividends, which are reinvested in Kraft Foods Shares.
- (3) Includes 100 Kraft Foods Shares as to which Ms. Rosenfeld disclaims beneficial ownership, as the shares are held by her spouse.
- (4) Includes 225,884 Kraft Foods Shares which will vest on 1 July 2011; 144,280 Kraft Foods Shares which will vest on 12 February 2010; 131,000 Kraft Foods Shares which will vest on 4 February 2011; and 173,300 Kraft Foods Shares which will vest on 17 February 2012.
- (5) Share equivalents issued pursuant to the 2001 Compensation Plan for Non-Employee Directors and the 2006 Stock Compensation Plan for Non-Employee Directors. Each share is the economic equivalent of one Kraft Foods Share and is payable in cash on a date chosen by the director or upon termination of service as a Kraft Foods Director. Balances reported are at 14 January 2010 and are based on the closing share price of Kraft Foods Shares (US\$29.12) on 14 January 2010.
- (6) Mr. McDonald has a beneficial interest in these Kraft Foods Shares which are held via a managed fund.
- (7) Includes 300 Kraft Foods Shares as to which Mr. Pope disclaims beneficial ownership, as the shares are held in trusts for his children's benefit.
- (8) Granted under the 2006 Stock Compensation Plan for Non-Employee Directors on 20 May 2009 and will vest on 19 May 2010 unless Mr. Pope leaves the office of a director before that date.
- (9) Includes 600 Kraft Foods Shares held in trust for the benefit of Mr. Zarb's son and grandchildren and 1,500 Kraft Foods Shares held by his spouse.
- (10) Granted under the 2006 Stock Compensation Plan for Non-Employee Directors on 20 May 2009 and will vest on 19 May 2010 unless Mr. Zarb leaves the office of a director before that date.

#### Share Options

Name	Scheme	Maximum Number of Kraft Foods Shares under option	Date of grant	Exercise price per Kraft Foods Share (US\$)	Exercise period
Irene B. Rosenfeld	2005 Performance Incentive Plan	300,000 <sup>(1)</sup>	3 May 2007	33.14	Vesting date – 2 May 2017
		172,920	4 Feb 2008	29.485	4 Feb 2007 – 4 Feb 2018
		351,080 <sup>(2)</sup>	4 Feb 2008	29.485	Vesting date – 4 Feb 2018
		693,200 <sup>(3)</sup>	20 Feb 2009	23.638	Vesting date – 20 Feb 2019
John C. Pope	2001 Compensation Plan for Non-Employee Directors	2,285	12 July 2001	30.54	12 Jan 2002 – 12 July 2011
		1,710	22 April 2002	39.505	22 Oct 2002 – 22 April 2012
Deborah C. Wright	2001 Compensation Plan for Non-Employee Directors	2,285	12 July 2001	30.54	12 Jan 2002 – 12 July 2011
		1,710	22 April 2002	39.505	22 Oct 2002 – 22 April 2012

- (1) Granted in connection with Ms. Rosenfeld's appointment as Chairman and which have not yet vested. One-half of the shares under this performance contingent stock option will vest only if the Kraft Foods Shares maintain a trading price of US\$38.11 for at least ten trading days. The remaining one-half of the award will vest only if Kraft Foods Shares maintain a trading price of US\$41.43 for at least ten trading days. The share options expire on 2 May 2017, and expire without vesting if the conditions are not met before this date.
- (2) Share options representing the unvested portion of the award made to Ms. Rosenfeld on 4 February 2008. One-half of these will vest on 4 February 2010, and the remaining half will vest on 4 February 2011.
- (3) Share options awarded to Ms. Rosenfeld on 20 February 2009 which have not yet vested. Of these, 33% vests on 19 February 2010; 33% vests on 18 February 2011; and 34% vests on 17 February 2012.

- (ii) As at the close of business on 14 January 2010 (being the latest practicable date before the publication of this document), the interests in and rights to subscribe in respect of relevant securities of Kraft Foods held by Group Directors were as follows:

<u>Group</u>	<u>No. of Kraft Foods Shares</u>	<u>No. of Restricted Shares<sup>(1)</sup></u>	<u>No. of Restricted Stock Units<sup>(2)</sup></u>	<u>No. of Exercisable Options</u>	<u>No. of Non-Exercisable Options<sup>(3)</sup></u>
Directors	427,592	477,332	844,973	865,018 <sup>(4)</sup>	1,586,675

- (1) Restricted Shares are Kraft Foods Shares that have been awarded to Group Directors pursuant to a compensation plan but that have not yet vested. Restricted Shares will vest and become transferable upon satisfaction of the conditions on which they have been awarded and are subject to forfeiture in the event that a Group Director ceases to be an employee of the Kraft Foods Group prior to the end of the stated restriction period.
- (2) Restricted Stock Units are granted to Group Directors as part of their compensation and represent the right to receive Kraft Foods Shares at a later date, typically three years from the grant date. Restricted Stock Units do not carry voting rights but do carry cash dividend equivalent rights.
- (3) Non-Exercisable Options are options over Kraft Foods Shares that are granted under employee incentive schemes which have not yet vested, but which will vest on a future date.
- (4) Includes the grant of 100 options over Kraft Foods Shares to Patrick Tomazeau, which have since been converted into cash settled stock appreciation rights.

Note: Aggregation has been carried out with the consent of the Panel. The Group Directors whose interests are aggregated above are: Jose Roberto Prado de Almeida, Rosanne Angotti, Gianluigi Arduini, Gustavo Armstrong, Gemini Aryanto, Silvia Bagliani, James Baur, Christine Bense, Dino J. Bianco, Luc Blommaert, Giampaolo Borghini, Werner Bossard, Thomas R. Boyd, Robert H. Bradish, Barbara L. Brasier, Peter Brunner, Jonas Bruzas, Peter Brydon, Nick Bunker, Maurizio Calenti, Piero Capizzi, Neil Chapman, Rainer Claussen, Jeff Currie, Derk De Vries, Franco Del Fabbro, Valerio Di Natale, Bernd Dreymueller, Ali Erdogan, Marc S. Firestone, Marco Gavazzi, Semsettin Gelgen, Philip D. Gregorcy, Cathy D. Heeley, Michael Heimbürger, Robert L. Herst, Fernando Horman, Pierre Iweins, Patricio Jaramillo, Shinsuke Katayama, Johan Keerberg, Sanjay Khosla, Jana Kottasova, Herbert Kueng, Romeo Lacerda, May Lee, Pedro Luis Lopez Matheu, Alejandro Lorenzo, Bruno Luisetti, Rudi Madel, Mark Magnesen, Roseli Marinheiro, Willie J. Miller, Eduardo Monteagudo, Eduardo Montilla, Gerald Neumair, Luca Nobili, Johan Nystedt, Darren O'Brien, Emanuele Olivi, Pradeep Pant, Jean-Philippe Pare, Isabell Pehnke, Paul Petruccelli, Alberto Daniel Pizzi, Gerhard Pleuhs, Alison Posa, Reinhard Puchta, Jose Luis Ramirez, Michael Reinke, Gintaras Rimselis, Kjell Ruth, Hasim Salim, Ignacio Santurio, Chiara Scalzi, Synnoeve Smedal, Franco Suardi, Ashvin Subramanyam, Andrea Szucsany, Claudia P. Temple, Patrick Thomazeau, Dina Rolstad Thune, Antonio Vazquez, Marc Pierre Vermeulen, W. Anthony Vernon, Irene Von der Recke, Carol J. Ward, Dieter Weber, Christoph Wenisch, Haluk Yildiz and Georges El-Zoghbi. A full list of all the interests aggregated above is available for inspection as set out in paragraph 11 of this Appendix IV.

- (iii) In addition to the 1,161,774 interests in Restricted Shares disclosed in paragraphs (a)(i) and (a)(ii) above, as at 14 January 2010 (being the latest practicable date before publication of this document), Kraft Foods held a further 6,470,995 Restricted Shares in its Kraft Foods Inc. Stock Program Account in respect of Restricted Share awards granted to other employees of the Kraft Foods Group.
- (iv) As at the close of business on 14 January 2010 (being the latest practicable date before publication of this document), the interests in relevant securities of Kraft Foods held by other persons acting in concert with Kraft Foods were as follows:

<u>Name</u>	<u>Nature of Interest</u>	<u>Number of Kraft Foods Shares</u>
Citigroup Global Markets Inc.	Long	1,500,550
	Short	11,155
Deutsche Bank Securities Inc.	Long	75,159
Walbrook Trustees (Jersey) Limited	Long	1,384

- (v) As at the close of business on 15 January 2010 (being the latest practicable date before publication of this document), the interests in relevant securities of Kraft Foods held by person(s) who are connected advisers or persons controlling, controlled by or under the same control as a connected adviser (except exempt principal traders or exempt fund managers) to Cadbury were as follows:

<u>Name</u>	<u>Type of Interest</u>	<u>Purchased/written</u>	<u>Number of Kraft Foods Shares</u>
Goldman Sachs & Co.	Own	n/a	64,220 (short)
Goldman Sachs & Co. <sup>(1)</sup>	Call option	Purchased	16,149 contracts, each over 100 Kraft Shares
Goldman Sachs & Co. <sup>(1)</sup>	Call option	Written	8,856 contracts, each over 100 Kraft Shares
Goldman Sachs & Co. <sup>(1)</sup>	Put option	Purchased	26,302 contracts, each over 100 Kraft Shares
Goldman Sachs & Co. <sup>(1)</sup>	Put option	Written	6,516 contracts, each over 100 Kraft Shares
UBS Financial Services Inc.	Own	n/a	1,246,948

(1) These interests have been aggregated in accordance with the Takeover Code.

(b) *Dealings in relevant securities of Kraft Foods*

- (i) In addition to those set out in paragraphs (a)(v) and (vi) of Section 4 of Appendix VII of the Original Offer Document, the following dealings in relevant securities of Kraft Foods by the Kraft Foods Directors, their immediate families and related trusts and companies and Group Directors have taken place during the Kraft Foods disclosure period:

<u>Name</u>	<u>Date</u>	<u>Transaction</u>	<u>Number of Kraft Foods Shares</u>	<u>Price (US\$)</u>
Ajaypal S. Banga	13 January 2010	Grant of Deferred Shares	128	Nil
Myra M. Hart	13 January 2010	Grant of Deferred Shares	50	Nil
Lois D. Juliber	13 January 2010	Grant of Deferred Shares	91	Nil
Mark D. Ketchum	13 January 2010	Grant of Deferred Shares	128	Nil
Richard A. Lerner, M.D.	13 January 2010	Grant of Deferred Shares	206	Nil
Mackey J. MacDonald	9 October 2008	Acquisition	740	29.57
	3 November 2008	Acquisition	102	29.14
	12 June 2009	Acquisition	1,292	26.03
	12 June 2009	Acquisition	541	26.03
	21 August 2009	Disposal	861	27.88
	9 September 2009	Disposal	39	27.82
Fredric G. Reynolds	13 January 2010	Grant of Deferred Shares	91	Nil
Deborah C. Wright	13 January 2010	Grant of Deferred Shares	91	Nil
Gemini Aryanto	20 February 2009	Grant of Options	4,240	Nil
	20 February 2009	Grant of Restricted Shares	1,060	Nil

- (ii) The following dealings in relevant securities of Kraft Foods by other persons acting in concert with Kraft Foods have taken place during the Kraft Foods disclosure period:

<u>Name</u>	<u>Date</u>	<u>Transaction</u>	<u>Number of Kraft Foods Shares</u>	<u>Price/Price Range (US\$)</u>	
Lazard Capital Markets LLC	07/10/08	Acquisition	1,000	30.91	
	13/10/08	Disposal	1,000	28.63	
	01/10/09	Acquisition	21,291	25.86	
	01/10/09	Disposal	21,291	25.87	
	06/10/09	Acquisition	35,392	26.13	
	06/10/09	Disposal	35,392	26.13	
	15/01/09	Acquisition	9,900	27.58	
	15/01/09	Disposal	9,900	27.58	
Citigroup Global Markets Inc. <sup>(1)</sup>	07/09/08 – 06/12/08	Acquisitions	258,878	26.8900-33.5538	
		Disposals	450,323	25.5000-33.9000	
	07/12/08 – 06/03/09	Acquisitions	337,277	24.9208-28.8500	
		Disposals	880,184	24.9100-28.8500	
	07/03/09 – 06/06/09	Acquisitions	80,478	22.1417-25.1300	
		Disposals	58,328	22.1417-25.2000	
	07/06/09 – 06/07/09	Acquisitions	2,282	25.2628-26.1049	
		Disposals	2,282	25.2629-26.1050	
	07/07/09 – 06/08/09	Acquisitions	12,468	27.4183-20.2400	
		Disposals	29,600	25.7601-28.7100	
	07/08/09 – 06/09/09	Acquisitions	3,226	27.8381-28.6138	
		Disposals	15,604	27.8382-28.8301	
	07/09/09 – 14/01/10	Acquisitions	2,782,254	25.79-30.07	
		Disposals	3,770,402	25.84-29.93	
	Deutsche Bank Securities Inc. <sup>(1)</sup>	07/09/08 – 06/12/08	Acquisitions	1,205,522	24.8200-34.7900
			Disposals	1,249,037	25.2200-34.9700
07/12/08 – 06/03/09		Acquisitions	1,452,136	21.3400-35.0000	
		Disposals	1,069,255	21.1000-29.5700	
07/03/09 – 06/06/09		Acquisitions	298,611	21.2400-26.9800	
		Disposals	393,411	21.2300-27.0000	
07/06/09 – 06/07/09		Acquisitions	253,127	24.8100-26.7300	
		Disposals	447,659	24.9500-26.7400	
07/07/09 – 06/08/09		Acquisitions	417,259	27.0000-28.7500	
		Disposals	126,309	26.0500-28.5000	
07/08/09 – 06/09/09		Acquisitions	93,400	28.1200-28.9700	
		Disposals	21,000	28.6900-28.8100	
07/09/09 – 14/01/10		Acquisitions	-	-	
		Disposals	-	-	
Barclays Group		07/09/08 – 06/12/08	Acquisitions	-	-
			Disposals	-	-
	07/12/08 – 06/03/09	Acquisitions	-	-	
		Disposals	-	-	
	07/03/09 – 06/06/09	Acquisitions	-	-	
		Disposals	-	-	
	07/06/09 – 06/07/09	Acquisitions	-	-	
		Disposals	-	-	
	07/07/09 – 06/08/09	Acquisitions	-	-	
		Disposals	-	-	
	07/08/09 – 06/09/09	Acquisitions	183,000	28.07-28.36	
		Disposals	73,000	28.46	
	07/09/09 – 14/01/10	Acquisitions	50,000,000	25.99-26.49	
		Disposals	50,110,000	25.99-26.52	
	Barclays Global Investors <sup>(1)</sup>	07/09/08 – 06/12/08	Acquisitions	599,091	24.87-34.97
			Disposals	91,116	24.87-32.96
07/12/08 – 06/03/09		Acquisitions	810,571	21.14-29.52	
		Disposals	34,847	23.82-27.65	
07/03/09 – 06/06/09		Acquisitions	452,298	21.23-27.04	
		Disposals	184,382	21.44-26.99	
07/06/09 – 06/07/09		Acquisitions	39,739	24.81-26.62	
		Disposals	51,345	24.97-26.59	
07/07/09 – 06/08/09		Acquisitions	302,251	25.75-28.78	
		Disposals	13,818	26.12-28.57	
07/08/09 – 06/09/09		Acquisitions	1,304,005	27.67-28.89	
		Disposals	55,408	28.10-28.70	
07/09/09 – 01/12/09 <sup>(2)</sup>		Acquisitions	196,766	25.95-27.62	
		Disposals	779,467	25.86-27.64	

(1) Aggregation of dealings has been carried out in accordance with Note 2 on Rule 24.3. All acquisitions and disposals are aggregated separately and have not been netted off. The highest and lowest prices per Kraft Foods Share have been stated. A full list of dealings is available for inspection as set out in paragraph 11 of this Appendix IV.

(2) Barclays Global Investors ceased to be a person controlling, controlled by or under the same control as Barclays Capital Inc. as at 1 December 2009.

- (iii) The following dealings for value in relevant securities of Kraft Foods by persons who are connected advisers or persons controlling, controlled by or under the same control as a connected adviser (except exempt principal traders or exempt fund managers) to Cadbury have taken place during the Cadbury disclosure period<sup>(2)</sup>:

<u>Name</u>	<u>Date of dealing</u>	<u>Transaction</u>	<u>Number of Kraft Shares</u>	<u>Price in US\$ (lowest-highest)</u>
Goldman Sachs & Co.	8 January 2010 – 15 January 2010	Purchases	2,705,359	22.50 <sup>(3)</sup> -30.03
Goldman Sachs & Co.	8 January 2010 – 15 January 2010	Disposals	2,731,133	28.18-29.98
Spear Leeds & Kellogg Specialists, LLC	8 January 2010 – 15 January 2010	Purchases	136,600	28.24-30.06
Spear Leeds & Kellogg Specialists, LLC	8 January 2010 – 15 January 2010	Disposals	137,100	28.37-30.05
Goldman Sachs & Co.	8 January 2010 – 15 January 2010	Purchases of call options	12,405 option contracts, each over 100 Kraft Shares	0.05-9.30
Goldman Sachs & Co.	8 January 2010 – 15 January 2010	Sales of call options	7,900 option contracts, each over 100 Kraft Shares	0.04-6.90
Goldman Sachs & Co.	8 January 2010 – 15 January 2010	Purchases of put options	9,165 option contracts, each over 100 Kraft Shares	0.05-16.10
Goldman Sachs & Co.	8 January 2010 – 15 January 2010	Sales of put options	4,015 option contracts, each over 100 Kraft Shares	0.03-6.90
UBS Financial Services Inc.	8 January 2010 – 15 January 2010	Disposals	5,011	28.79-29.13

(2) These dealings have been aggregated in accordance with the Takeover Code.

(3) Price from exercise of option transaction.

(c) *Interests in relevant securities of Cadbury*

- (i) As at the close of business on 14 January 2010 (being the latest practicable date before publication of this document), the interests in and short positions in respect of relevant securities of Cadbury held by person(s) acting in concert with Kraft Foods were as follows:

<u>Relevant securities of Cadbury</u>	
<u>Name</u>	<u>Number of Cadbury Shares</u>
Kraft Foods Global, Inc. Master Retirement Trust	314,686
Hasim Salim <sup>(1)</sup>	588
Michael Magee <sup>(2)</sup>	6,188

(1) Hasim Salim is a director of PT Kraft Foods Company Indonesia.

(2) Michael Magee's interests comprise 6,188 unvested Cadbury Shares. Mr Magee is a director of Kraft Foods (Australia) Limited, Kraft Foods Limited, Lanes Food (Australia) Pty Ltd, Lanes Biscuits Pty Ltd, General Foods Pty Ltd, Kraft Jacobs Suchard (Australia) Pty Ltd and Kraft Foods (New Zealand) Ltd

<u>Name</u>	<u>Nature of Interest</u>	<u>Number of Cadbury Shares</u>	<u>Number of Cadbury ADSs</u>
Barclays Bank plc	Long	4,703,430	-
Barclays Wealth Trustees (Jersey) Ltd	Long	1,440	-
Citigroup Global Markets Inc.	Short	1,100	24,811

- (ii) As at the close of business on 15 January 2010 (being the latest practicable date before publication of this document), the following person (being an employee benefit trust of Cadbury) owned or controlled the following Cadbury relevant securities:

<u>Name</u>	<u>Number of Cadbury Shares</u>
Cadbury Schweppes Employee Trust	1,455,314

(d) *Dealings in relevant securities of Cadbury*

- (i) The following dealings in relevant securities of Cadbury by persons acting in concert with Kraft Foods have taken place during the Kraft Foods disclosure period:

<u>Name</u>	<u>Date</u>	<u>Transaction</u>	<u>Number of Cadbury Shares/Cadbury ADRs</u>	<u>Price/Price Range</u>
Kraft Foods Global, Inc. Master Retirement Trust Michael Magee	5 May 2009	Acquisition	24,398 Cadbury Shares	US\$7.87
	5 January 2010	Disposal	1,912 Cadbury Shares	£7.895
	5 January 2010	Disposal	7,315 Cadbury Shares	£7.895
	5 January 2010	Disposal	1,207 Cadbury Shares	£7.895
	5 January 2010	Disposal	1 Cadbury Share	£7.915
	5 January 2010	Disposal	3,997 Cadbury Shares	£7.920
	5 January 2010	Disposal	500 Cadbury Shares	£7.920
	5 January 2010	Disposal	10,000 Cadbury Shares	£7.920
	5 January 2010	Disposal	500 Cadbury Shares	£7.920
	5 January 2010	Disposal	5,000 Cadbury Shares	£7.920
	5 January 2010	Disposal	1,100 Cadbury Shares	£7.920
	5 January 2010	Disposal	900 Cadbury Shares	£7.920
	5 January 2010	Disposal	1,165 Cadbury Shares	£7.920
	5 January 2010	Disposal	4,822 Cadbury Shares	£7.920
	5 January 2010	Disposal	274 Cadbury Shares	£7.920
	5 January 2010	Disposal	254 Cadbury Shares	£7.920
	5 January 2010	Disposal	2,010 Cadbury Shares	£7.920
	5 January 2010	Disposal	500 Cadbury Shares	£7.915
	5 January 2010	Disposal	22,965 Cadbury Shares	£7.915
	5 January 2010	Disposal	500 Cadbury Shares	£7.915
	5 January 2010	Disposal	500 Cadbury Shares	£7.915
	5 January 2010	Disposal	2,910 Cadbury Shares	£7.915
	5 January 2010	Disposal	1,100 Cadbury Shares	£7.915
	5 January 2010	Disposal	1,608 Cadbury Shares	£7.915
	5 January 2010	Disposal	1,429 Cadbury Shares	£7.915
	5 January 2010	Disposal	500 Cadbury Shares	£7.915
	5 January 2010	Disposal	5,464 Cadbury Shares	£7.910
		Exercise of option to subscribe		
	5 January 2010	Exercise of option to subscribe	10,772 Cadbury Shares	£5.3138
		Exercise of option to subscribe		
	5 January 2010	Exercise of option to subscribe	12,567 Cadbury Shares	£5.3751
		Exercise of option to subscribe		
	5 January 2010	Exercise of option to subscribe	13,465 Cadbury Shares	£3.9157
		Exercise of option to subscribe		
	5 January 2010	Exercise of option to subscribe	14,587 Cadbury Shares	£4.8960
		Exercise of option to subscribe		
	5 January 2010	Exercise of option to subscribe	16,607 Cadbury Shares	£5.8541
Citigroup Global Markets Inc. <sup>(1)</sup>	07/09/08 – 06/12/08	Acquisitions	-	-
		Disposals	-	-
	07/12/08 – 06/03/09	Acquisitions	814 Cadbury Shares	£5.5100-5.5100
		Disposals	814 Cadbury Shares	£5.5100-5.5100
	07/03/09 – 06/06/09	Acquisitions	247,800 Cadbury ADRs	US\$29.000-31.9032
		Disposals	312,900 Cadbury ADRs	US\$29.000-31.9032
	07/06/09 – 06/07/09	Acquisitions	-	-
		Disposals	-	-
	07/07/09 – 06/08/09	Acquisitions	807,130 Cadbury ADRs	US\$33.8700-40.8025
		Disposals	807,130 Cadbury ADRs	US\$33.8700-40.8025
	07/08/09 – 06/09/09	Acquisitions	-	-
		Disposals	-	-
	07/09/09 – 14/01/10	Acquisitions	-	-
		Disposals	-	-
Deutsche Bank AG, London Branch <sup>(1)</sup>	07/09/08 – 06/12/08	Acquisitions	56,800 Cadbury Shares	£5.0192-5.7100
		Disposals	34,191 Cadbury Shares	£5.4100-6.3668
	07/12/08 – 06/03/09	Acquisitions	221,800 Cadbury Shares	£5.0541-6.0429
		Disposals	203,600 Cadbury Shares	£5.1550-5.5722
	07/03/09 – 06/06/09	Acquisitions	80,200 Cadbury Shares	£5.0432-5.1784
		Disposals	167,900 Cadbury Shares	£4.9775-5.4484
	07/06/09 – 06/07/09	Acquisitions	86,047 Cadbury Shares	£5.2050-5.3850
		Disposals	64,447 Cadbury Shares	£5.1800-5.3150
	07/07/09 – 06/08/09	Acquisitions	7,335 Cadbury Shares	£5.7900-5.7900
		Disposals	7,355 Cadbury Shares	£5.7900-5.7900
	07/08/09 – 06/09/09	Acquisitions	7,455 Cadbury Shares	£5.7450-5.7450
		Disposals	7,455 Cadbury Shares	£5.7450-5.7450
	07/09/09 – 14/01/10	Acquisitions <sup>(2)</sup>	18,400 Cadbury Shares	£7.8900-7.8900
		Disposals <sup>(2)</sup>	40,000 Cadbury Shares	£7.8750-7.8750

<u>Name</u>	<u>Date</u>	<u>Transaction</u>	<u>Number of Cadbury Shares/Cadbury ADRs</u>	<u>Price/Price Range</u>
Deutsche Bank Securities Inc. <sup>(1)</sup>	07/09/08 – 06/12/08	Acquisitions	89,744 Cadbury ADRs	US\$29.6000-46.8700
		Disposals	126,084 Cadbury ADRs	US\$29.9100-46.8600
	07/12/08 – 06/03/09	Acquisitions	117,134 Cadbury ADRs	US\$28.2800-37.2700
		Disposals	124,363 Cadbury ADRs	US\$28.3200-37.1900
	07/03/09 – 06/06/09	Acquisitions	175,503 Cadbury ADRs	US\$28.0700-36.0900
		Disposals	204,751 Cadbury ADRs	US\$28.0300-35.8600
	07/06/09 – 06/07/09	Acquisitions	21,806 Cadbury ADRs	US\$34.3200-35.7000
		Disposals	76,931 Cadbury ADRs	US\$34.2517-35.8000
	07/07/09 – 06/08/09	Acquisitions	-	-
		Disposals	-	-
	07/08/09 – 06/09/09	Acquisitions	-	-
		Disposals	-	-
	07/09/09 – 14/01/10	Acquisitions	-	-
		Disposals	-	-
Barclays Global Investors <sup>(1)</sup>	07/09/08 – 06/12/08	Acquisitions	512,912 Cadbury Shares	£4.55-£5.73
		Disposals	19,389 Cadbury Shares	£4.77-£5.68
	07/12/08 – 06/03/09	Acquisitions	270,963 Cadbury Shares	£5.29-£6.15
		Disposals	140,501 Cadbury Shares	£5.02-£5.29
	07/03/09 – 06/06/09	Acquisitions	166,811 Cadbury Shares	£5.14-£5.62
		Disposals	148,676 Cadbury Shares	£5.04-£5.39
	07/06/09 – 06/07/09	Acquisitions	16,631 Cadbury Shares	£5.18
		Disposals	18,765 Cadbury Shares	£5.18-£5.22
	07/07/09 – 06/08/09	Acquisitions	-	-
		Disposals	15,281 Cadbury Shares	£5.61-£5.91
	07/08/09 – 06/09/09	Acquisitions	50,052 Cadbury Shares	£5.71
		Disposals	-	-
	07/09/09 – 01/12/09 <sup>(3)</sup>	Acquisitions	71,296 Cadbury Shares	£7.86-£7.94
		Disposals	3,485 Cadbury Shares	£7.89-£7.96

(1) Aggregation of dealings has been carried out in accordance with Note 2 on Rule 24.3. All acquisitions and disposals are aggregated separately and have not been netted off. The highest and lowest prices per Cadbury Share or Cadbury ADR have been stated. A full list of dealings is available for inspection as set out in paragraph 11 of this Appendix IV.

(2) These transactions took place as a consequence of book flattening. The Panel informed Deutsche Bank AG, London Branch on an ex parte basis that such transactions were permissible and have no Takeover Code consequences.

(3) Barclays Global Investors ceased to be a person controlling, controlled by or under the same control as Barclays Capital Inc. as at 1 December 2009

(ii) The following dealings for value in relevant securities of Cadbury by an employee benefit trust of Cadbury have taken place during the Cadbury disclosure period<sup>4</sup>:

<u>Name</u>	<u>Date of dealing</u>	<u>Transaction</u>	<u>Number of Cadbury Shares</u>	<u>Price (lowest-highest)</u>
Cadbury Schweppes Employee Trust	8 January 2010 – 15 January 2010	Disposals	10,279	£7.81-£7.81

<sup>4</sup> These dealings have been aggregated in accordance with the Takeover Code.

(e) *Other Interests*

(i) As of the close of business on 14 January 2010 (being the latest practicable date before the publication of this document), the persons notified to Kraft Foods who had interests in Kraft Foods sufficient to have a potential indirect interest of 5% or more in the equity capital of Cadbury following completion of the Final Offer are:

<u>Name</u>	<u>No. of Kraft Foods Shares<sup>(1)</sup></u>	<u>% of voting rights</u>
Warren E. Buffett/Berkshire Hathaway Inc. <sup>(2)</sup>	138,272,500	9.4

(1) Pursuant to the requirements of the SEC and the US Securities Exchange Act, the Kraft Foods Shareholders listed above are required to notify Kraft Foods of their interests in Kraft Foods as at 31 December 2009 within 45 days of that date, but have not made any further notifications to Kraft Foods since 6 January 2010.

(2) Based on the Schedule 13G/A filed jointly by Mr. Buffett and his affiliates on 6 January 2010 with the SEC. Mr. Buffett and Berkshire Hathaway share voting and dispositive power over all reported shares, which include shares beneficially owned by certain subsidiaries of Berkshire Hathaway.

According to the 2008 Annual Report of Berkshire Hathaway, Berkshire Hathaway is a holding company owning subsidiaries that engage in a number of diverse business activities including property and casualty insurance and reinsurance, utilities and energy, finance, manufacturing, services and retailing. Mr. Warren Buffett is the Chairman of the Board of Directors of Berkshire Hathaway, and makes the investment decisions and all other asset allocation decisions of Berkshire Hathaway, in consultation with Mr. Charles Munger who is the Vice Chairman of Berkshire Hathaway's Board of Directors. Apart from its interests in Kraft Foods Inc., Berkshire Hathaway also has interests in the following businesses which may be considered relevant to the business of Cadbury. Based on publicly available information, Berkshire Hathaway has controlling interests in International Dairy Queen and See's Candies and non-controlling interests in Wrigleys (non-equity) and Nestlé.

(f) *Persons acting in concert with Kraft Foods*

In addition to the Kraft Foods Directors, Kraft Foods' relevant companies, their directors and related pension funds, the persons who are acting in concert with Kraft Foods for the purposes of the Final Offer are:

<u>Name</u>	<u>Entity Type</u>	<u>Registered Address</u>	<u>Relationship with Kraft Foods</u>
Lazard & Co., Limited	English private limited company	50 Stratton Street, London W1J 8LL, United Kingdom	Lead financial adviser
Centerview Partners UK LLP	English limited liability partnership	10 Norwich Street, London EC4A 1BD, United Kingdom	Financial adviser
Citigroup Global Markets Limited	English private limited company	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom	Financial adviser and corporate broker
Deutsche Bank AG, London Branch (and its affiliates)	German public limited company	Deutsche Bank AG, London Branch address: 1 Great Winchester Street, London EC2N 2DB, United Kingdom	Financial adviser and corporate broker
Houlihan Lokey Howard & Zukin Financial Advisors, Inc.	California corporation	1930 Century Park West, Los Angeles, CA 90067, United States of America	Financial adviser
Barclays Capital Inc.	Connecticut corporation	745 Seventh Avenue, New York, New York 10019, United States of America	Connected adviser
Credit Suisse Securities (Europe) Limited	English private limited company	1 Cabot Square, London E14 4QJ, United Kingdom	Connected adviser

(g) *Persons acting in concert with Cadbury*

In addition to the Cadbury Directors, Cadbury's relevant companies, their directors and related pension funds, the persons who are acting in concert with Cadbury for the purposes of the Offer are:

<u>Name</u>	<u>Entity</u>	<u>Registered Address</u>	<u>Relationship with Cadbury</u>
Goldman Sachs International	English private unlimited company	Peterborough Court 133 Fleet Street London EC4A 2BB	Financial adviser and corporate broker
Morgan Stanley & Co. Limited	English private limited company	Legal Dept 25 Cabot Square Canary Wharf London E14 4QA	Financial adviser
UBS Limited	English private limited company	1 Finsbury Avenue London EC2M 2PP	Financial adviser and corporate broker

(h) *General*

- (i) Except as disclosed or referred to in this document or in Appendix VII to the Original Offer Document, none of Kraft Foods, any of Kraft Foods' relevant companies, any of the Kraft Foods Directors, any other Group Directors, any members of such directors' immediate families or any related trusts or companies, and any other person acting in concert with Kraft Foods was interested, had any rights to subscribe or had any short positions in respect of any relevant securities of Cadbury or Kraft Foods on 14 January 2010 (being the latest practicable date before publication of this document) nor has any such person dealt in any relevant securities of Cadbury or Kraft Foods during Kraft Foods the disclosure period.
- (ii) Neither Kraft Foods nor any person acting in concert with Kraft Foods has borrowed or lent any relevant securities of Cadbury or Kraft Foods during the Kraft Foods disclosure period, save for any borrowed shares which have either been on-lent or sold.
- (iii) None of Kraft Foods, any person acting in concert with Kraft Foods, and any associates (as defined in the Takeover Code) of Kraft Foods has any arrangements in relation to any relevant securities of the type referred to in Note 6(b) on Rule 8 of the Takeover Code.
- (iv) Except as disclosed or referred to in this document or in Appendix I to the Cadbury First Defence Document or Appendix I to the Cadbury Second Defence Document, none of Cadbury, any of the Cadbury directors, any members of such directors' immediate families or any related trusts or companies was interested in, had any rights to subscribe or had any short positions in respect of any relevant securities of Cadbury or Kraft Foods on 15 January 2010 (being the latest practicable date before publication of this document) nor has any such person dealt in any relevant securities of Cadbury or Kraft Foods during the Cadbury disclosure period.
- (v) Except as disclosed or referred to in this document or in Appendix I to the Cadbury First Defence Document or Appendix I to the Cadbury Second Defence Document, no Cadbury companies, nor any pension fund or employee benefit trust of Cadbury nor any Cadbury company was interested in, had any rights to subscribe or had any short positions in respect of any relevant securities of Cadbury or Kraft Foods on 15 January 2010 (being the latest practicable date before publication of this document) nor has any such person dealt in any relevant securities of Cadbury or Kraft Foods during the Cadbury disclosure period.
- (vi) Except as disclosed or referred to in this document or in Appendix I to the Cadbury First Defence Document or Appendix I to the Cadbury Second Defence Document, no connected adviser to Cadbury, Cadbury companies, or persons acting in concert with Cadbury or persons controlling, controlled by, or under the same control as, any such connected advisers (excluding exempt principal traders and exempt fund managers) was interested in, had any

rights to subscribe or had any short positions in respect of any relevant securities of Cadbury or Kraft Foods on 15 January 2010 (being the latest practicable date before publication of this document) nor has any such person dealt in any relevant securities of Cadbury or Kraft Foods during the Cadbury disclosure period.

- (vii) Neither Cadbury nor any person acting in concert with Cadbury has borrowed or lent any relevant securities of Cadbury or Kraft Foods during the Cadbury disclosure period, save for any borrowed shares which have either been on-lent or sold.
- (viii) None of Cadbury nor any associates (as defined in the Takeover Code) of Cadbury has any arrangements in relation to any relevant securities of the type referred to in Note 6(b) on Rule 8 of the Takeover Code.

## 5. UK taxation

The following statements are only a general guide to the principal UK tax consequences of disposing of Cadbury Shares pursuant to the Final Offer and receiving the Special Dividend. They do not constitute legal or tax advice. They are based on UK tax legislation and published practice of HMRC in force and effect at the date of this document, both of which are subject to change, possibly with retrospective effect. These statements relate solely to Cadbury Shareholders who are resident and, in the case of individuals, ordinarily resident and domiciled in the UK for UK tax purposes and who are not resident for tax purposes in any other jurisdiction. These statements relate solely to Cadbury Shareholders who are the absolute beneficial owners of Cadbury Shares and who are beneficially entitled to the dividends thereon in circumstances where the dividends paid are regarded for UK tax purposes as that person's own income (and not the income of some other person), who hold their Cadbury Shares as an investment and not as trading stock and who have not (and are not deemed to have) acquired their Cadbury Shares by reason of an office or employment. The statements below are not exhaustive and may not apply to certain classes of Cadbury Shareholders such as (but not limited to) dealers in securities, broker dealers, insurance companies, collective investment schemes, persons who hold Cadbury Shares as part of hedging or conversion transactions, persons connected with Cadbury or persons who control or hold (either alone or together with one or more associated or connected persons), directly or indirectly, 10% or more of the shares and/or voting power of Cadbury and/or Kraft Foods. The statements below in respect of UK stamp duty reserve tax also assume that Kraft Foods is a body corporate not incorporated in the UK and that there is no register, and that there will continue to be no register, in the UK in respect of the New Kraft Foods Shares and that the New Kraft Foods Shares are not and will not be paired with shares issued by a body corporate incorporated in the UK.

Except where the context otherwise requires, references below to Kraft Foods Shares include references to Kraft Foods CDIs.

**If investors are in any doubt as to their tax position or if investors are or may be subject to tax in a jurisdiction other than the UK, investors should consult their own professional advisers.**

### CGT – General

Liability to CGT will depend on the circumstances of each Cadbury Shareholder and on the form of consideration received.

Kraft Foods obtained confirmation from HMRC under section 707 of the Income and Corporation Taxes Act 1988 and section 701 of the Income Tax Act 2007 that, based on the terms of the Original Offer, certain provisions which might affect the tax treatment described below will not be applicable. Kraft Foods intends to apply for confirmation from HMRC that these provisions will also not apply based on the terms of the Final Offer. The Final Offer is not conditional upon receipt of such confirmation.

### CGT – Cash

To the extent that a Cadbury Shareholder receives cash under the Final Offer (for the avoidance of doubt, this does not include the Special Dividend, the treatment of which is discussed below), that will constitute a disposal or part disposal of the relevant Cadbury Shares for the purposes of CGT which may, depending on the Cadbury Shareholder's circumstances (including the availability of any exemptions and allowable losses), give rise to a chargeable gain or allowable loss for the purposes of CGT.

## **CGT – New Kraft Foods Shares**

To the extent that a Cadbury Shareholder receives New Kraft Foods Shares under the Final Offer, that should be treated as a reorganisation for the purposes of CGT. Accordingly, the Cadbury Shareholder should not be treated as having made a disposal of Cadbury Shares for the purposes of CGT to the extent it receives New Kraft Foods Shares under the Final Offer. Instead, the New Kraft Foods Shares should be treated as the same asset as the Cadbury Shares in respect of which they are issued and treated as acquired at the same time as those Cadbury Shares, and for the same acquisition cost. A chargeable gain or allowable loss should therefore only arise on a subsequent disposal of the New Kraft Foods Shares.

If a Cadbury Shareholder, alone or together with persons connected with him or her, holds more than 5% of, or of any class of, Cadbury Shares, such a Cadbury Shareholder will be eligible for the “reorganisation” treatment described above only if the Final Offer is effected for bona fide commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is an avoidance of liability to tax. Such Cadbury Shareholders are advised that Kraft Foods obtained confirmation under section 138 of the Taxation of Chargeable Gains Act 1992 that HMRC is satisfied, based on the terms of the Original Offer, that the Final Offer will be effected for bona fide commercial reasons and will not form part of such a scheme or arrangement. Kraft Foods intends to apply for confirmation from HMRC that this will also be the case based on the terms of the Final Offer. The Final Offer is not conditional upon receipt of such confirmation.

Indexation allowance for Cadbury Shareholders within the charge to UK corporation tax will continue to be available in respect of the acquisition cost of the Cadbury Shares which is rolled-over into the New Kraft Foods Shares until the New Kraft Foods Shares are disposed of.

### **Special Dividend**

#### *Withholding*

The Special Dividend may be paid by Cadbury without any withholding or deduction on account of United Kingdom tax.

#### *Individuals*

Individual Cadbury Shareholders will generally be subject to UK income tax on the gross amount of the Special Dividend. Such Cadbury Shareholders should generally be entitled to a non-payable tax credit equal to one ninth of the amount of the Special Dividend. For such Cadbury Shareholders eligible for this tax credit, this will have the effect of reducing the effective rate of UK income tax on the Special Dividend to zero (for individuals taxable at the dividend ordinary rate) and 25% (for individuals taxable at the dividend upper rate). If implemented, and if the Special Dividend is paid after 5 April 2010 and, to the extent an individual’s taxable income for the relevant tax year exceeds £150,000 (and if the new rate of tax is applied in the same way as the existing rates), the effective rate of tax on the Special Dividend for that individual will be approximately 36.1%.

#### *Companies*

Cadbury Shareholders within the charge to UK corporation tax will prima facie be subject to UK corporate tax generally at a rate of 28% on the Special Dividend unless certain conditions for exemption are satisfied. The exemption is of wide application and Cadbury Shareholders who are within the charge to UK corporation tax will generally not be subject to UK corporation tax on the Special Dividend.

### **UK Stamp duty and stamp duty reserve tax**

No stamp duty or stamp duty reserve tax should be payable by Cadbury Shareholders as a result of accepting the Final Offer or as a result of any issue of New Kraft Foods Shares under the Final Offer.

### **Holding and disposing of New Kraft Foods Shares**

Kraft Foods is a US company and the tax consequences of holding and disposing of New Kraft Foods Shares will be different from holding and disposing of shares in a UK company such as Cadbury. One of the

main differences will be that dividends (and other distributions treated as dividends) paid by Kraft Foods will generally be subject to US withholding tax as detailed in the Prospectus. The normal rate of US withholding tax is 30% of the gross amount of the dividend. However, this rate may be reduced under an applicable double tax treaty. The rate of withholding tax on dividends paid to UK residents who are entitled to claim (and make a valid claim) under the US-UK Double Tax Treaty is generally 15% (or 0% in the case of certain pension schemes). Credit for such US withholding tax may, depending on the circumstances, be available for set-off against UK corporation tax or UK income tax on the dividend (if any), but cannot normally be set-off against tax on other income or otherwise used or refunded. For further details, Cadbury Shareholders are advised to read the Prospectus, which contains a general guide to certain UK tax consequences for UK tax resident Cadbury Shareholders, and certain US tax consequences for non-US holders, of holding and disposing of New Kraft Foods Shares.

**The above summary is general in character and not exhaustive and does not constitute tax or legal advice. If you are in any doubt as to your taxation position, or if you are or may be subject to taxation in any jurisdiction other than the UK, you should consult an appropriate independent professional adviser without delay.**

#### 6. Break Fee Arrangements

Cadbury has agreed to pay an inducement fee of £117.7 million in circumstances where a competing offer is announced and either is recommended by Cadbury or that offer or another third party offer becomes unconditional and the Final Offer lapses or is withdrawn, unless, prior to such announcement, Cadbury withdraws its recommendation for reasons demonstrably unrelated to such competing third party offer.

#### 7. Financing and Cash Confirmation

Kraft Foods is providing the cash consideration payable by it under the Final Offer from its own resources, funds available from an amended bridge facility that has been arranged by a syndicate of banks and/or proceeds from alternative financing sources. A summary of the amended bridge facility is included in paragraph 8 of Appendix IV to this document.

If it considers it advantageous to do so, Kraft Foods may seek alternative funding in the form of a US dollar, sterling, Euro or another non-US dollar denominated bond issue of an amount up to the amount of cash consideration payable under the Offer, together with certain amounts payable in connection with, or arising as a result of, the Final Offer, in lieu of borrowings under the amended bridge facility. Any such issue would comprise senior notes issued on prevailing market terms (including as to margin and fees) on a basis commensurate with Kraft Foods' financial position and credit rating. Any such issue may be made shortly before or after the Final Offer becomes or is declared wholly unconditional and would be expected to result in the amounts available to be drawn under the amended bridge facility being reduced. To the extent that such an issue is denominated in US dollars, it would be offered under Kraft Foods' effective registration statement on Form S-3 filed with the SEC. In addition to the covenants, events of default and other terms set forth in the prospectus included in Kraft Foods' registration statement, Kraft Foods anticipates that any such issue would include a "change of control" covenant substantially identical to the covenant included in its 6.75% Notes due 2014. To the extent that such an issue is denominated in sterling, Euro or another non-US dollar currency, it would be offered on terms which are not materially different to the foregoing. Any bond issue would constitute senior unsecured obligations of Kraft Foods and would rank equally in right of payment with all of its existing and future senior unsecured indebtedness.

Kraft Foods may utilise a portion of Cadbury's cash flow to repay indebtedness incurred in connection with the Final Offer, including payments of interest, but does not intend that security would be granted over Cadbury assets in connection with that indebtedness.

Lazard & Co., Limited, Centerview Partners UK LLP, Citigroup Global Markets Limited and Deutsche Bank AG, London Branch are satisfied that sufficient resources are available to Kraft Foods to satisfy in full the cash consideration payable by it as a result of full acceptance of the Final Offer.

#### 8. Kraft Foods material contracts

Save as disclosed below and in paragraph 7 of Appendix VII to the Original Offer Document, there have been no contracts entered into by Kraft Foods or any of its subsidiaries during the period commencing on 7 September 2007 (the date two years before the commencement of the Offer Period) and ending on

15 January 2010 (the latest practicable date before the date of this document) which are outside the ordinary course of business and which are or may be considered material or which have been entered into at any time by any member of the Kraft Foods Group and contain provisions under which any member of the Kraft Foods Group has an obligation or entitlement which is, or may be, material to the business of the Kraft Foods Group at the date of this document:

***Amended Bridge Facility Agreement***

As at 18 January 2010, the agreement for a senior unsecured bridge facility described in the paragraph entitled “*Bridge Facility Agreement dated 9 November 2009*” in paragraph 7 of Appendix VII to the Original Offer Document was amended to increase the bridge facility amount by £1.6 billion to an aggregate of £7.1 billion. The other material terms of the bridge facility remain as summarised in paragraph 7 of the Appendix VII to the Original Offer Document.

As described in paragraph 7 of this Appendix IV, subject to market conditions, Kraft Foods expects to refinance or reduce advances under the amended bridge facility from proceeds of alternative financing sources. If advantageous to Kraft Foods, such alternative funding may be in the form of a bond issue.

**9. Cadbury material contracts**

Save as disclosed in paragraph 8 of Appendix 1 to the Cadbury First Defence Document, there have been no contracts entered into by Cadbury or any of its subsidiaries during the period commencing on 7 September 2007 (the date two years before the commencement of the Offer Period) and ending on 15 January 2010 (the latest practicable date before the date of this document) which are outside the ordinary course of business and which are or may be considered material or which have been entered into at any time by any member of the Cadbury Group and contain provisions under which any member of the Cadbury Group has an obligation or entitlement which is, or may be, material to the business of the Cadbury Group at the date of this document.

**10. Other information**

*Kraft Foods*

- (i) There is no agreement, arrangement or understanding (including any compensation arrangement) exists between Kraft Foods or any person acting in concert with Kraft Foods and any of the directors, recent directors, shareholders or recent shareholders of Cadbury or any person interested or recently interested in shares of Cadbury having any connection with or dependence on the Final Offer.
- (ii) The emoluments of the Kraft Foods Directors will be assessed by the Human Resources and Compensation Committee of Kraft Foods in the ordinary course of events which may take into account the successful completion of the Final Offer. However, save as aforesaid, the emoluments of the Kraft Foods Directors will not be affected by the acquisition of Cadbury or by any other associated transaction.
- (iii) There is no agreement, arrangement or understanding by which any securities acquired in pursuance of the Final Offer will be transferred to any other person, but Kraft Foods reserves the right to transfer any such shares to any member of the Kraft Foods Group.
- (iv) The Kraft Foods Directors confirm that the discretionary cash flow guidance statement contained within the Kraft Foods Profit Forecast remains valid for the purposes of the Final Offer and PricewaterhouseCoopers LLP and the Financial Advisers have each indicated that they have no objection to their respective reports in respect of that statement (as set out in Part B of Appendix IV to the Original Offer Document) continuing to apply.
- (v) PricewaterhouseCoopers LLP has given and not withdrawn its written consent to the publication of this document with the inclusion of its report set out in Part B of Appendix II in the form and context in which it appears.
- (vi) Lazard & Co., Limited has given and not withdrawn its written consent to the publication of this document with the inclusion of its report set out in Part B of Appendix II and the references to its name in the form and context in which they appear.

- (vii) Centerview Partners UK LLP has given and not withdrawn its written consent to the publication of this document with the inclusion of its report set out in Part B of Appendix II and the references to its name in the form and context in which they appear.
- (viii) Citigroup Global Markets Limited has given and not withdrawn its written consent to the publication of this document with the inclusion of its reports set out in Part B of Appendix II and the references to its name in the form and context in which they appear.
- (ix) Deutsche Bank AG, London Branch has given and not withdrawn its written consent to the publication of this document with the inclusion of its reports set out in Part B of Appendix II and the references to its name (and that of its affiliates) in the form and context in which they appear.
- (x) Houlihan Lokey Howard & Zukin Financial Advisors, Inc. has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear. Houlihan Lokey Howard & Zukin Financial Advisors, Inc. is acting as financial adviser to Kraft Foods and no one else in connection with the contents of this document and the Final Offer and will not be responsible to any person other than Kraft Foods for providing the protections afforded to clients of Houlihan Lokey Howard & Zukin Financial Advisors, Inc., nor for providing advice in relation to the Final Offer or any matters referred to herein.
- (xi) Barclays Capital Inc. is acting for Kraft Foods and no one else in connection with the contents of this document and the Final Offer and will not be responsible to any person other than Kraft Foods for providing the protections afforded to clients of Barclays Capital Inc., nor for providing advice in relation to the Final Offer or any matters referred to herein.
- (xii) Credit Suisse Securities (Europe) Limited, which is authorised and regulated in the UK by the FSA, is acting for Kraft Foods and no one else in connection with the contents of this document and the Final Offer and will not be responsible to any person other than Kraft Foods for providing the protections afforded to clients of Credit Suisse Securities (Europe) Limited, nor for providing advice in relation to the Final Offer or any matters referred to herein.
- (xiii) Except as disclosed in this document or the Original Offer Document, there has been no material change in the financial or trading position of the Kraft Foods Group which has occurred since 31 December 2008 (the date to which the latest audited accounts of the Kraft Foods Group were prepared).

*Cadbury*

- (xiv) Except as disclosed in this document or the Cadbury Defence Documents, there has been no material change in the financial or trading position of the Cadbury Group which has occurred since 31 December 2008 (the date to which the latest audited accounts of the Cadbury Group were prepared).
- (xv) Except as set out in this document, as at 15 January 2010 the Cadbury Directors are not aware of any material change to the information relating to the Cadbury Directors' service contracts set out in paragraph 7 of Appendix 1 to the Cadbury First Defence Document.
- (xvi) Each of Goldman Sachs International, Morgan Stanley & Co. Limited and UBS Limited has given and not withdrawn its written consent to the publication of this document with the inclusion of references to its name in the form and context in which they appear.

**11. Documents available for inspection**

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ, England until the end of the Offer Period:

- (a) this document (including any documents incorporated herein by reference), the Final US Offer Document, the Original Offer Document, the Original US Offer Document, the Prospectus, the Supplementary Prospectuses and the Acceptance Forms;

- (b) the Articles of Incorporation and the By-Laws;
- (c) the revised audited consolidated financial statements of the Kraft Foods Group for the years ended 31 December 2008 and 31 December 2007;
- (d) the reports contained in Appendices II, IV and V to the Original Offer Document;
- (e) the reports contained in Appendix II to this document;
- (f) the full lists of interests and dealings that have been aggregated in paragraph 4 above and in paragraph 4 of Appendix VII to the Original Offer Document;
- (g) the material contracts referred to in paragraph 7 of Appendix VII to the Original Offer Document and in the paragraph 8 above and the inducement fee agreement referred to in paragraph 1 of Section C of Part 2; and
- (h) the written consents referred to in paragraph 10 above and in paragraph 8 of Appendix VII to the Original Offer Document.

## 12. Incorporation of relevant information by reference

Except to the extent disclosed in this document, there has been no material change to the information previously published by Kraft Foods in the Original Offer Document. Additionally, the following listed information which was contained in the Original Offer Document has been incorporated by reference into this document (as revised and supplemented by this document where relevant).

<u>No.</u>	<u>Information</u>	<u>Source in Original Offer Document</u>
1.	Information on the nature of Kraft Foods' business and its financial and trading prospects	Paragraphs 5: <i>Kraft Foods' current trading and prospects are strong</i> and 10: <i>Information on Kraft Foods</i> of Part 1: <i>Letter from Chairman and Chief Executive Officer of Kraft Foods</i>
2.	Information on Kraft Foods' intentions regarding the employees, management, assets and future business of Cadbury	Paragraph 12: <i>Management, Employees and Locations</i> of Part I: <i>Letter from Chairman and Chief Executive Officer of Kraft Foods</i>
3.	The information on Cadbury	Section D: <i>Further Information</i> of Part 2: <i>The Offer</i>
4.	The further information on (including details of the rights attaching to) the New Kraft Foods Shares and Kraft Foods CDIs	Section E: <i>Kraft Foods Shares and Kraft Foods CDIs</i> of Part 2: <i>The Offer</i>
5.	The Conditions of the Final Offer	Part A: <i>Conditions of the Offer</i> of Appendix I: <i>Conditions and further terms of the Offer</i>
6.	Financial information relating to Kraft Foods	Appendix II: <i>Financial information relating to Kraft Foods</i>
7.	Financial information relating to Cadbury	Appendix III: <i>Financial information relating to Cadbury</i>
8.	Information on interests and dealings in Kraft Foods and Cadbury relevant securities	Paragraph 4 of Appendix VII: <i>Additional Information</i>
9.	Material contracts of the Kraft Foods Group	Paragraph 7 of Appendix VII: <i>Additional Information</i>

Dated: 19 January 2010

## APPENDIX V: DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“1985 Act”	the Companies Act 1985 of the UK
“2006 Act”	the Companies Act 2006 of the UK
“Acceptance Condition”	the Condition set out in paragraph 1(a) in Part A of Appendix I to the Original Offer Document
“Acceptance Forms”	the Original Acceptance Forms and the Final Acceptance Forms
“Accepted ADSs”	Cadbury ADSs in respect of which the Final Offer has been accepted or is deemed to have been accepted
“Adams”	the Adams Confectionary business of Pfizer Inc., acquired by Cadbury
“ADS Depository”	JPMorgan Chase Bank, N.A. or its successor, as depository for the Cadbury ADSs
“ADS Letter of Transmittal”	the ADS Letter of Transmittal for use by Cadbury ADS Holders in connection with the acceptance of the Final Offer in respect of Cadbury Shares represented by Cadbury ADSs
“Agent’s Message”	a message transmitted by the Book-Entry Transfer Facility to, and received by, the US Exchange Agent as part of a confirmation of a book-entry transfer that states that the Book-Entry Transfer Facility has received an express acknowledgement from the participant in the Book-Entry Transfer Facility tendering the Cadbury ADSs that such participant has received and agrees to be bound by the terms of the ADS Letter of Transmittal and the Final Offer
“Articles of Incorporation”	Kraft Foods’ articles of incorporation, as amended from time to time
“associated undertaking”	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations)
“Basic Final Offer”	the Final Offer with no related election under the Mix and Match Facility
“Basic Final Offer TTE Instruction”	a Transfer to Escrow instruction (as described in the CREST manual issued by Euroclear) in relation to Cadbury Shares in uncertificated form meeting the requirements set out in paragraph 1.2.2 of Section A of Part 2 and relating to an acceptance of the Basic Final Offer
“Berkshire Hathaway”	Berkshire Hathaway Inc.
“Book-Entry Transfer Facility”	the Depository Trust Company
“Business Day”	any day on which banks are generally open in London for the transaction of general banking business, other than Saturday or Sunday or a public holiday
“By-Laws”	Kraft Foods’ by-laws, as amended and restated from time to time
“Cadbury”	Cadbury plc, incorporated under the 1985 Act with registered number 06497379

<b>“Cadbury ADR”</b>	American depository receipts issued under the Deposit Agreement representing the right to Cadbury ADSs
<b>“Cadbury ADS Holders”</b>	holders of Cadbury ADSs
<b>“Cadbury ADSs”</b>	American Depository Shares in respect of and each representing four Cadbury Shares (and, for the purposes of this document shall be deemed to include the Cadbury Shares represented thereby)
<b>“Cadbury Annual Report and Accounts”</b>	Cadbury’s annual report and accounts for the year ended 31 December 2008
<b>“Cadbury Board”</b>	the board of directors of Cadbury
<b>“Cadbury Canadian Shareholder”</b>	a Cadbury Shareholder resident in Canada
<b>“Cadbury Defence Documents”</b>	the Cadbury First Defence Document and the Cadbury Second Defence Document
<b>“Cadbury Group”</b>	Cadbury and its subsidiary undertakings and, where the context permits, each of them
<b>“Cadbury Financial Advisers”</b>	Goldman Sachs International, Morgan Stanley & Co. Limited and UBS Limited
<b>“Cadbury First Defence Document”</b>	the first defence document relating to the Original Offer published by Cadbury on 14 December 2009
<b>“Cadbury Half Yearly Report”</b>	the half yearly report issued by Cadbury on 29 July 2009
<b>“Cadbury Schweppes”</b>	Cadbury Schweppes plc
<b>“Cadbury Second Defence Document”</b>	the second defence document relating to the Original Offer published by Cadbury on 12 January 2010 and updated on 14 January 2010
<b>“Cadbury Securities”</b>	Cadbury Shares and/or Cadbury ADSs (as the context requires)
<b>“Cadbury Securityholders”</b>	Cadbury Shareholders and/or Cadbury ADS Holders (as the context requires)
<b>“Cadbury Share Schemes”</b>	Cadbury Schweppes Savings-Related Share Option Scheme 1982, Cadbury plc 2008 Savings-Related Share Option Scheme, Cadbury Schweppes Share Option Plan 1994, Cadbury Schweppes Share Option Plan 2004, Cadbury Schweppes (New Issue) Share Option Plan 2004, Cadbury Schweppes Irish Savings Related Share Option Scheme, Cadbury plc 2008 Irish Savings-Related Share Option Scheme, Cadbury Schweppes Irish AVC Savings-Related Share Option Scheme, Cadbury plc 2008 Irish AVC Savings-Related Share Option Scheme, Cadbury Schweppes International Savings-Related Share Option Scheme 1998, Cadbury plc 2008 International Savings-Related Share Option Scheme, Cadbury Schweppes plc US Employees Share Option Plan 2005, Cadbury plc 2008 US Employees Share Option Plan, Cadbury Schweppes plc Americas Employee Share Option Plan 2005, Cadbury plc 2008 Americas Employee Share Option Plan, Cadbury Schweppes Long-term Incentive Plans 1997 and 2004, Cadbury Schweppes Bonus Share Retention Plan 2004, Cadbury Schweppes International Share Award Plan, Cadbury plc 2008 Bonus Share Retention Plan, Cadbury plc 2008 Long-term Incentive Plan, Cadbury plc 2008 International Share Award Plan and Cadbury plc 2008 Share Option Plan
<b>“Cadbury Shareholders”</b>	holders of Cadbury Shares

<b>“Cadbury Shares”</b>	the existing unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of 10 pence each in the capital of Cadbury (including those represented by Cadbury ADSs) and any further such shares which are unconditionally allotted or issued and fully paid (or credited as fully paid) before the Final Offer closes (or before such earlier time as Kraft Foods may, subject to the Takeover Code, decide), but excluding in both cases any such shares held or which become held in treasury
<b>“Cadbury US Shareholder”</b>	a US holder (within the meaning of Rule 14d-1(d) under the US Securities Exchange Act) of Cadbury Shares
<b>“CDF”</b>	a CREST depositary interest representing an entitlement to a share
<b>“certificated form” or “in certificated form”</b>	in relation to a Cadbury Share, a Cadbury Share, title to which is recorded in the relevant register of Cadbury as being held in certificated form (that is, not in CREST), or in relation to a Cadbury ADS, a Cadbury ADS evidenced by a Cadbury ADR
<b>“Certificated Holder”</b>	a Cadbury Shareholder (other than those with a registered address in the US or in any other CSN Restricted Jurisdiction) who holds his Cadbury Shares in certificated form and accepts the Final Offer by following the procedures set out in paragraph 1.1 of Section A of Part 2
<b>“CGT”</b>	UK capital gains tax or UK corporation tax on chargeable gains, as applicable
<b>“Closing Price”</b>	the closing middle market price of a share as derived from the daily official list of the London Stock Exchange on any particular date
<b>“Combined Group”</b>	the Cadbury Group and the Kraft Foods Group, following completion of the Final Offer
<b>“Conditions”</b>	the conditions of the Final Offer set out in Part A of Appendix I of the Original Offer Document and <b>“Condition”</b> means any one of them
<b>“Corporate Nominee”</b>	the Receiving Agent or such wholly owned subsidiary of the Receiving Agent as the Receiving Agent may nominate to provide the CSN Facility
<b>“CREST”</b>	the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in the Regulations)
<b>“CREST member”</b>	a person who is, in relation to CREST, a system member (as defined in the Regulations)
<b>“CREST participant”</b>	a person who is, in relation to CREST, a system participant (as defined in the Regulations)
<b>“CREST payment”</b>	has the meaning given in the CREST manual issued by Euroclear
<b>“CREST sponsor”</b>	a person who is, in relation to CREST, a sponsoring system participant (as defined in the Regulations)
<b>“CREST sponsored member”</b>	a CREST member admitted to CREST as a sponsored member under the sponsorship of a CREST sponsor
<b>“CSN Facility”</b>	the facility under which the Corporate Nominee holds Kraft Foods CDIs on behalf of Certificated Holders and provides certain other services

<b>“CSN Permitted Jurisdiction”</b>	each of Argentina, Austria, Belgium, Botswana, Brazil, Bulgaria, Chile, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Guinea, Hungary, Iceland, Indonesia, Ireland, Italy, Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Namibia, Netherlands, Norway, Poland, Paraguay, Peru, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Taiwan, and the United Kingdom (including the Channel Islands and the Isle of Man)
<b>“CSN Restricted Jurisdiction”</b>	any jurisdiction other than a CSN Permitted Jurisdiction
<b>“Deposit Agreement”</b>	the deposit agreement, dated 2 May 2008, between Cadbury, JPMorgan Chase Bank, N.A. and holders of Cadbury ADRs issued thereunder
<b>“DRS”</b>	has the meaning given in paragraph 4.3 of Part 2
<b>“DTC”</b>	The Depository Trust Company
<b>“Electronic Acceptance”</b>	the inputting and settling of a TTE Instruction which constitutes or is deemed to constitute an acceptance of the Final Offer on the terms set out in this document
<b>“Eligible Institution”</b>	a financial institution which is a participant in the Securities Transfer Association Medallion Program, the New York Stock Exchange Medallion Program or the Stock Exchange Medallion Program
<b>“ESA instruction”</b>	an Escrow Account Adjustment Input (AESN), transaction type “ESA” (as described in the CREST manual issued by Euroclear)
<b>“Escrow Agent”</b>	the Receiving Agent in its capacity as escrow agent (as described in the CREST Manual issued by Euroclear)
<b>“EU” or “European Union”</b>	the economic and political union of European nations created on 1 November 1993 by the Treaty on European Union
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited
<b>“European Commission”</b>	the Commission of the European Union
<b>“Final Acceptance Forms”</b>	the Final Form of Acceptance, the Final ADS Letter of Transmittal and any other form issued by or on behalf of Kraft Foods in connection with the acceptance of the Final Offer
<b>“Final ADS Letter of Transmittal”</b>	the ADS Letter of Transmittal for use by Cadbury ADS Holders in connection with the acceptance of the Final Offer in respect of Cadbury Shares represented by Cadbury ADSs
<b>“Final Form of Acceptance”</b>	a revised Form of Acceptance issued in connection with the acceptance of the Final Offer and accompanying this document
<b>“Final Offer”</b>	the Offer, as revised on the date hereof, and being made available to accepting Cadbury Securityholders on the terms and subject to the conditions set out within this document
<b>“Final Offer Document”</b>	this document
<b>“Final Offer Documents”</b>	the Final Offer Document and the Final US Offer Document
<b>“Final US Offer Document”</b>	the prospectus/offer to exchange to be included in the Registration Statement after the date of this document which will be sent to Cadbury US Shareholders, Cadbury Canadian Shareholders and Cadbury ADS Holders, as such may be amended from time to time

<b>“Financial Advisers”</b>	Lazard & Co., Limited, Centerview Partners UK LLP, Citigroup Global Markets Limited and Deutsche Bank AG, London Branch (and its affiliates)
<b>“Financial Services Authority” or “FSA”</b>	the UK Financial Services Authority
<b>“Form of Acceptance”</b>	a form of acceptance, authority and election for use by Cadbury Shareholders in connection with the acceptance of the Final Offer or, historically, the Original Offer
<b>“FSA Handbook”</b>	the handbook of rules made by the FSA as amended from time to time
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 of the UK
<b>“HMRC”</b>	HM Revenue and Customs
<b>“Initial Offer Period”</b>	the period during which the Offer remains conditional, which commenced on 4 December 2009 and expires on the earliest of (i) the Offer lapsing (ii) the Offer becoming or being declared wholly unconditional in accordance with its terms and (iii) 1.00 p.m. (London time) on 2 February 2010 (or such later date as agreed with the Panel)
<b>“Kraft Foods”</b>	Kraft Foods Inc.
<b>“Kraft Foods Board”</b>	the board of directors of Kraft Foods
<b>“Kraft Foods CDIs”</b>	dematerialised CREST depository interests representing New Kraft Foods Shares
<b>“Kraft Foods Directors”</b>	the directors of Kraft Foods
<b>“Kraft Foods Group”</b>	Kraft Foods and its subsidiary undertakings and, where the context permits, each of them
<b>“Kraft Foods Profit Estimate”</b>	the statements regarding Kraft Foods’ diluted earnings per share for the year ended 31 December 2009 as set out in paragraph 1 of Part A of Appendix II
<b>“Kraft Foods Profit Forecast”</b>	the Kraft Foods discretionary cash flow and earnings per share guidance for the year ended 31 December 2009, as first announced on 3 November 2009 and repeated in the Original Offer Document
<b>“Kraft Foods Shareholders”</b>	holders of Kraft Foods Shares
<b>“Kraft Foods Shares”</b>	shares of class A common stock of no par value in the capital of Kraft Foods
<b>“London Stock Exchange”</b>	London Stock Exchange plc or its successor
<b>“LTIP”</b>	long-term incentive plan
<b>“LU Biscuit”</b>	the former global “LU biscuit” business of Groupe Danone S.A. acquired by Kraft Foods in 2007
<b>“member account ID”</b>	the identification code or number attached to any member account in CREST
<b>“Mix and Match Facility”</b>	the mix and match facility under which Cadbury Securityholders are able to elect, subject to availability and off-setting elections, to vary the proportion of New Kraft Foods Shares and cash consideration they will receive pursuant to the Final Offer
<b>“Mix and Match TTE Instruction”</b>	a Transfer to Escrow instruction (as described in the CREST manual used by Euroclear) in relation to Cadbury Shares in uncertificated form meeting the requirements set out in paragraph 1.2.3 of Section A of Part 2

<b>“New Kraft Foods Shares”</b>	the new Kraft Foods Shares proposed to be issued in connection with the Final Offer
<b>“NYSE”</b>	New York Stock Exchange
<b>“NYSE Closing Price”</b>	the closing price of a share as derived from the NYSE on any particular date
<b>“Offer”</b>	the offer made by Kraft Foods to acquire all the Cadbury Shares (including those represented by Cadbury ADSs) subject to the conditions set out in the Original Offer Documents and on the terms set out in the Original Offer Documents, the Final Offer Documents and the Acceptance Forms (and, where the context so requires, any subsequent revision, variation, extension or renewal of such offer, including any election or alternative available in connection with it) and, unless the context otherwise requires, such term includes the Final Offer
<b>“Offer Period”</b>	the period commencing on (and including) 7 September 2009 and ending on whichever of the following dates shall be the latest: (i) 1.00 p.m. (London time) on 2 February 2010; (ii) the date on which the Final Offer lapses; and (iii) the date on which the Final Offer becomes or is declared wholly unconditional in accordance with its terms
<b>“Official List”</b>	the Official List of the FSA
<b>“Original Acceptance Forms”</b>	the Original Form of Acceptance and the Original ADS Letter of Transmittal or any other form issued by or on behalf of Kraft Foods prior to the date of this document in connection with the acceptance of the Original Offer and “Original Acceptance Form” means any of them
<b>“Original ADS Letter of Transmittal”</b>	the ADS Letter of Transmittal issued prior to the date of this document for use by Cadbury ADS Holders in connection with the acceptance of the Original Offer in respect of Cadbury Shares represented by Cadbury ADSs
<b>“Original Form of Acceptance”</b>	a form of acceptance, authority and election issued prior to the date of this document for use by Cadbury Shareholders in connection with the acceptance of the Original Offer
<b>“Original Offer”</b>	the Offer, as made by Kraft Foods on 4 December 2009 on the terms and subject to the conditions set out in the Original Offer Documents and the Original Acceptance Forms
<b>“Original Offer Document”</b>	the offer document dated 4 December 2009 in connection with the Original Offer, pursuant to which Kraft Foods made the Original Offer to Cadbury Shareholders other than Cadbury US Shareholders, Cadbury Canadian Shareholders and Cadbury ADS Holders
<b>“Original Offer Documents”</b>	the Original Offer Document and the Original US Offer Document
<b>“Original US Offer Document”</b>	the prospectus/offer to exchange, as amended prior to the date of this document, included in the Registration Statement and pursuant to which Kraft Foods made the Original Offer to Cadbury US Shareholders, Cadbury Canadian Shareholders and Cadbury ADS Holders
<b>“Panel”</b>	the Panel on Takeovers and Mergers
<b>“participant ID”</b>	the identification code or membership number used in CREST to identify a CREST member or other CREST participant
<b>“pounds sterling”, “sterling” or “£”</b>	UK pounds sterling, as the lawful currency of the UK (and any references to “pence” shall be construed accordingly)

<b>“Prospectus”</b>	the prospectus relating to Kraft Foods dated 4 December 2009 in respect of New Kraft Foods Shares issued in connection with the Offer
<b>“Receiving Agent”</b>	Computershare Investor Services PLC of 2nd Floor, Vintners’ Place, 68 Upper Thames Street, London EC4V 3BJ (tel: from inside the UK, 0870 889 3144 and from outside the UK +44 870889 3144)
<b>“Registration Statement”</b>	the Registration Statement on Form S-4 relating to New Kraft Foods Shares offered as consideration pursuant to the Offer, filed by Kraft Foods with the SEC under the US Securities Act on 4 December 2009, as such may be amended from time to time
<b>“Regulation”</b>	Council Regulation (EC) 139/2004
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 of the UK
<b>“Regulatory Information Service”</b>	any information service authorised from time to time by the FSA for the purpose of disseminating regulatory announcements
<b>“relevant securities”</b>	has the meaning given to it in the Takeover Code
<b>“Restricted ESA Instruction”</b>	one or more valid ESA instructions
<b>“Restricted Escrow Transfer”</b>	a TTE Instruction to a designated escrow balance
<b>“Restricted Jurisdiction”</b>	any jurisdiction where the extension or acceptance of the Final Offer or where sending or making available information concerning the Final Offer to Cadbury Securityholders in such jurisdiction would violate the laws of that jurisdiction or would require registration of the New Kraft Foods Shares (except the US)
<b>“S&amp;P”</b>	Standard & Poor’s Rating Services
<b>“SEC”</b>	the US Securities and Exchange Commission
<b>“Settlement Date”</b>	the date on which consideration is paid to Cadbury Shareholders who accept during the Initial Offer Period, being not later than 14 calendar days after the date on which the Final Offer becomes or is declared wholly unconditional
<b>“Special Dividend”</b>	the dividend of 10 pence per Cadbury Share
<b>“Subsequent Offer Period”</b>	the period commencing immediately after the end of the Initial Offer Period during which the Offer will remain open for acceptance
<b>“subsidiary”</b>	shall be construed in accordance with the 2006 Act
<b>“subsidiary undertaking” and “undertaking”</b>	shall be construed in accordance with the 2006 Act
<b>“Supplementary Prospectus”</b>	the supplementary prospectus dated 14 January 2010 relating to the announcement of a partial cash alternative, the second supplementary prospectus dated 14 January 2010 relating to Kraft Foods’ revised earnings per share guidance and the third supplementary prospectus dated 19 January 2010 relating to the Final Offer, each supplementing the Prospectus
<b>“Takeover Code”</b>	The UK City Code on Takeovers and Mergers
<b>“TFE Instruction”</b>	a Transfer from Escrow instruction (as described in the CREST Manual issued by Euroclear)

<b>“Third Party Transaction”</b>	a takeover offer for Cadbury by any party unconnected to Kraft Foods or any transaction between Cadbury and any party unconnected with Kraft Foods which would be inconsistent with the Offer or prevent the Offer becoming unconditional
<b>“TTE Instruction”</b>	a Basic Final Offer TTE Instruction or a Mix and Match TTE Instruction (as the case may be)
<b>“UBS Limited” or “UBS Investment Bank”</b>	UBS Limited, a company incorporated in England and Wales with registered number 2035362
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“Uncertificated Holder”</b>	a Cadbury Shareholder who holds his Cadbury Shares in uncertificated form through CREST and accepts the Final Offer by following the procedures set out in paragraph 1.2 of Section A of Part 2
<b>“uncertificated” or “in uncertificated form”</b>	in relation to a Cadbury Share, a Cadbury Share, title to which is recorded in the relevant register of Cadbury as being held in uncertificated form, in CREST, and title to which, by virtue of the Regulations may be transferred by means of CREST, or in relation to a Cadbury ADS, a Cadbury ADS held in DTC
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>“US Business Day”</b>	has the meaning given in Rule 14d-1 under the US Securities Exchange Act
<b>“US Exchange Agent”</b>	Computershare Trust Company, N.A.
<b>“US GAAP”</b>	generally accepted accounting principles in the US
<b>“US Holder”</b>	a US holder (within the meaning of Rule 14d-1(d) under the US Securities Exchange Act)
<b>“US Information Agent”</b>	Georgeson, Inc. of 199 Water Street, 26th Floor, New York, NY 10038-3560 (tel: from outside the US, +1 212 806 6859 and from inside the US, 800 868 1391)
<b>“US Offer Document”</b>	the prospectus/offer to exchange included in the Registration Statement and pursuant to which Kraft Foods is making the Final Offer to Cadbury US Shareholders, Cadbury Canadian Shareholders and Cadbury ADS Holders
<b>“US Securities Act”</b>	the US Securities Act of 1933, and the rules and regulations promulgated thereunder
<b>“US Securities Exchange Act”</b>	the US Securities Exchange Act of 1934, and the rules and regulations promulgated thereunder
<b>“US\$”, “dollars”, “US dollars” or “\$”</b>	US dollars, as the lawful currency of the United States (and any references to cents shall be construed accordingly)
<b>“Wider Cadbury Group”</b>	the Cadbury Group and associated undertakings and any other body corporate, partnership, joint venture or person in which Cadbury and all such undertakings (aggregating their interests) have an interest of more than 20% of the voting or equity capital or the equivalent
<b>“Withdrawal Fee”</b>	the withdrawal fee of US\$0.05 per Cadbury ADS payable to the ADS Depository to withdraw Cadbury Shares represented by Cadbury ADSs

All times referred to are London time unless otherwise stated.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]



