

Additional Information about the Treatment of Outstanding Stock Options and Restricted/Deferred Stock as a Result of the Spin-Off**

****Note: this communication only applies to individuals located in Australia, Australian inbound/outbound expatriates, nationals of China, individuals located in Thailand, and Thailand inbound/outbound expatriates****

This is a follow-up communication to the one you received on or around July 16, 2012 and contains **additional** detailed information regarding the treatment of outstanding and unexercised stock options and **unvested** and not forfeited restricted stock and/or deferred stock unit ("DSU") awards (collectively referred to as "Awards")¹ following the Spin-Off of the North American grocery business (as defined below). Please read this carefully. If you would like to review the initial communication from July 16, 2012, click [here](#).

Information covered in this communication includes:

1. Overview of outstanding Award treatment
2. Information on conversion calculations
3. Key dates, including the UBS blackout period September 19 through October 7, 2012
4. Where to find additional information

Overview of outstanding Award treatment

What's happening?

On August 4, 2011, Kraft Foods Inc. ("KFT or the "Company") announced plans to create two independent public companies: a global snacks business and a North American grocery business. The Global Snacks Business will have the name Mondelez International, Inc. The North American Grocery Business will be spun off as an independent company and will be called Kraft Foods Group, Inc. ("KRFT"). The separation into two independent public companies is known as a "Spin-Off."

What does this mean for the treatment of my KFT awards?

In the Spin-Off, the Company has chosen to follow the *Employer Approach* for the treatment of any outstanding (unvested and vested but not yet exercised) stock options and/or unvested and not forfeited restricted/DSU stock awards that you hold. ² This means that you will be granted new awards in Mondelez International, Inc. ("MDLZ") only, as you will be employed by Mondelez International or one of its subsidiaries following the Spin-Off. The adjusted Awards will generally retain the same terms and conditions as your existing Awards. Due to the name and trading symbol change of KFT to MDLZ, we will retire the KFT trading symbol after the Spin-Off. As such, in the future your UBS account will reflect Awards of MDLZ shares. For administrative purposes, as of the effective time of the Spin-Off, the KFT shares will no longer be reflected as active in your UBS account.

Information on conversion calculations

Can you explain how the equity award adjustment and conversion will work under the *Employer Approach*?

¹ Granted under the Kraft Foods Inc. 2005 Performance Incentive Plan and/or the Kraft Foods Inc. Amended and Restated 2005 Performance Incentive Plan (collectively, the "Plans")

² Please note that we have applied for tax rulings in certain countries and are awaiting for the tax authorities' rulings. The outcome of those rulings may affect the treatment of your awards. In that case, we will notify you.

The main idea of the *Employer Approach* is that in the Spin-Off, your outstanding KFT Awards will be converted into Awards for MDLZ shares only. In doing so, we will adjust and convert your Awards so that they have an equivalent “intrinsic value” immediately before and immediately after the Spin-Off³. Please see below for further details.

Restricted/DSU awards

Your invested and not forfeited outstanding restricted stock and/or DSU awards will be adjusted to maintain the equivalent “Pre-Spin-Off” value at the time of the Spin-Off. Through this conversion, the number of shares subject to your outstanding restricted/DSU awards will be adjusted to account for any change in stock price of MDLZ at the time of the Spin-Off.

The **Pre-Spin-Off intrinsic value for a restricted stock/DSU award** is calculated by taking the number of outstanding restricted/DSU shares multiplied by the closing stock price of KFT on the effective date of the Spin-Off.

<p>Pre-Spin-Off Intrinsic value for restricted/ DSU award = Closing stock price on date of Spin-Off multiplied by number of shares</p>

The number of adjusted and converted MDLZ restricted stock/DSUs will be determined by dividing the Pre-Spin-Off intrinsic value of restricted stock/DSUs by the value of the MDLZ share price, rounded down to the nearest whole share.

This conversion may result in a fractional share (less than 1 whole share). These fractional shares will be paid out to you in cash⁴, using the closing stock price of MDLZ on the effective date of the Spin-Off, as traded on the “when-issued” market.

<p>Intrinsic Value of Pre-Spin-Off KFT Restricted/DSU Award = Number of shares x KFT stock price at time of Spin-Off</p>	=	<p>Value of Post-Spin-Off MDLZ restricted/DSU award = number of shares x MDLZ stock price at time of Spin-Off⁵</p>	+	<p>Value of fractional cash payout = Fractional share x MDLZ stock price a time of Spin-Off</p>
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Note: the adjusted and converted awards will, generally, retain the same terms and conditions as your existing awards (*i.e.*, vesting conditions, consequences of termination of employment, etc.) as indicated in the original award agreements related to your KFT Awards.

Stock Options

Your outstanding KFT stock options will be adjusted to maintain the equivalent “Pre-Spin-Off” intrinsic value at the time of the Spin-Off. Through this conversion, the number of shares subject to your outstanding stock options will be adjusted and the grant price of each stock option will also be adjusted to account for any change in stock price of MDLZ at the time of the Spin-Off.

The **Pre-Spin-Off intrinsic value for a stock option** is calculated by taking the number of option shares outstanding multiplied by the difference between the grant price and the closing stock price of KFT on the effective date of the Spin-Off.

<p>Pre-Spin-Off Intrinsic value for stock option award = (Closing stock price on date of Spin-Off minus grant price) multiplied by number of options</p>

³ Subject to restrictions in certain jurisdictions to avoid negative tax treatment or to comply with local law, including tax and securities laws.

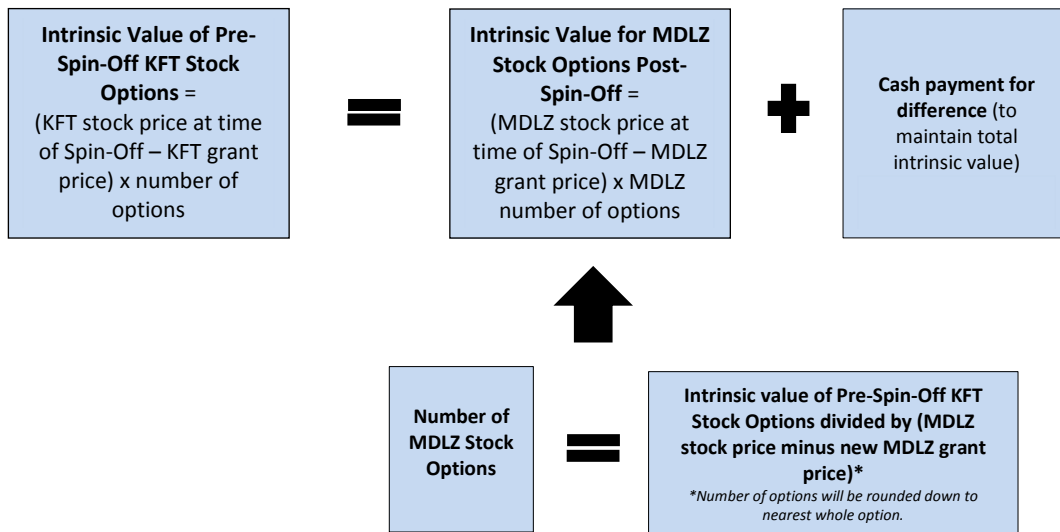
⁴ Unless otherwise noted due to local tax and/or legal reasons.

⁵ The Kraft Foods Pre-Adjustment Price multiplied by a fraction, (a) the numerator of which is the closing price of MDLZ Common Stock on the NASDAQ Global Select Market on the Distribution Date (as traded on the “when issued” market) and (b) the denominator of which is (i) the numerator plus (ii) the closing price of KRFT Common Stock on the NASDAQ Global Select Market on the Distribution Date (as traded on the “when issued” market) multiplied by the Distribution Ratio.

- Adjusted and converted grant prices: to adjust the grant price, the ratio of the KFT grant price to the KFT closing stock price on the date of the Spin-Off will be applied to the MDLZ stock price on the effective day of the Spin-Off to determine the new MDLZ grant price.

$$\frac{\text{KFT grant price}}{\text{KFT closing stock price at Spin-Off}^7} \times \text{MDLZ}^6 \text{ stock price} = \text{New MDLZ grant price}$$

- Adjusted and converted number of options: The number of adjusted MDLZ options will be determined by dividing the Pre-Spin-Off KFT intrinsic value of options by the difference between the MDLZ stock price at the time of Spin-Off minus the new MDLZ grant price, rounded down to the nearest whole option.



This conversion may result in a fractional option (less than 1 whole option). These fractional awards will be paid out to you in cash.⁸

Note: the adjusted and converted awards will, generally, retain the same terms and conditions as your existing awards (*i.e.*, vesting conditions, consequences of termination of employment, etc.) as indicated in the original award agreements related to your KFT Awards.

Helpful Tools

Please click [here](#) to access an online calculator which you can use to model how your Awards will be adjusted and converted, based on example stock prices.

What happens if my stock options are “underwater”?

If an option is underwater it means that the current market price of the stock is lower than the grant price set at the time of the grant. If this is the case, the conversion will still occur using the same methodology as noted above.

How will the fractional share payments, as a result of the conversion of my Awards, be made?

If there are any fractional share payments, these will be paid to you in cash via your payroll in local currency, or, as otherwise required by law in your country, as soon as is administratively feasible following the Spin-Off.

⁶ The Kraft Foods Pre-Adjustment Price multiplied by a fraction, (a) the numerator of which is the closing price of MDLZ Common Stock on the NASDAQ Global Select Market on the Distribution Date (as traded on the “when issued” market) and (b) the denominator of which is (i) the numerator plus (ii) the closing price of KRFT Common Stock on the NASDAQ Global Select Market on the Distribution Date (as traded on the “when issued” market) multiplied by the Distribution Ratio.

⁷ The closing price of KFT Common Stock on the NASDAQ Global Select Market on the Distribution Date (as traded on the “regular way” market).

⁸ Unless otherwise noted due to local tax and/or legal reasons.

These payments will, generally, be subject to the usual tax and/or social security deductions as apply to normal cash income.⁹

Key Dates including the UBS blackout period

Spin-Off Date

The Spin-Off will take effect at 5 p.m., New York City time, on **October 1, 2012**.

Record date

The record date for the distribution to shareholders (“the Distribution”) will be **September 19, 2012**. The Company is using the same date for its KFT equity award holders who will be affected by the conversion, therefore if you hold outstanding KFT stock options and/or unvested restricted/DSU stock awards on this date, following the Spin-Off your outstanding Awards will be converted into Awards of MDLZ shares.

UBS Blackout Dates

The UBS administrative blackout period will start on **September 19, 2012** and will last through **October 7, 2012 (inclusive)**. During this period, you will not be able to perform any transactions upon the Awards in your UBS account. **The last day on which you can access UBS OneSource and trade on any Awards in your UBS account before the Spin-Off will be September 18, 2012.** You must complete a transaction prior to the close of the NASDAQ Stock Market on this day.

If you have vested (common) shares in your UBS OneSource account, (from previous stock option exercises or prior restricted/DSU vestings) you will be unable to access your online OneSource account to trade on these during the UBS administrative blackout. During this period if you wish to trade on the vested (common) shares in your UBS OneSource account, you should contact the UBS call center to submit a sale order request (see UBS Section for details of the UBS call center numbers).

What is the tax treatment for the adjusted and converted Awards?

We will not provide any country-specific tax advice on the impact of the Spin-Off on the adjusted and converted Awards. However, we broadly reviewed the tax implications of the impact of the Spin-Off on the KFT Awards and generally, we have found that there are no major negative tax impacts in KFT’s countries as a result of the adjustment and conversion of the Awards. Thus, the adjusted and converted Awards generally will be taxed in the same manner as the KFT Awards (*i.e.*, depending on the jurisdiction, upon exercise of options or upon vesting for restricted stock/DSUs). ***In any event, any information we provide is general in nature and may not apply to your specific circumstances. Thus, you are strongly advised to seek appropriate professional advice as to how the tax or other laws in the country(ies) you are subject to will apply to your specific situation with respect to the Spin-Off and your adjusted and converted Awards.***

What will happen to my UBS account?

Following the Spin-Off, both companies (KRFT and MDLZ) will continue to use UBS as their equity award plan administrator. However, your current account will be converted into a new UBS account. From October 8th, 2012, you will need to use the MDLZ link to access the converted MDLZ Awards. All cash existing in your KFT account at the time of Spin-Off will automatically be transferred to your MDLZ account.

⁹ If you are a terminated employee, due to restrictions in certain countries you may receive the fractional share cash payment in your MDLZ UBS cash account.

The new UBS links are detailed below. Please note that these links will not be active until 9.30am New York Time on October 8, 2012, when the currently planned UBS administrative blackout period ends.

Links to access your MDLZ Awards and the KFT old account: (effective October 8, 2012)

MDLZ: www.ubs.com/onesource/mdlz (for MDLZ awards and shares)

KFT OLD: www.ubs.com/onesource/kftold (for historical purposes only)

You will be able to continue to access the “old” KFT account after the Spin-Off via the following web link www.ubs.com/onesource/kftold, for historical purposes only, until December 31, 2014. We recommend that you run any reports you may need and retain for your own record. On December 31, 2014 the site will permanently expire and will no longer be accessible. The current link to use to access your UBS account (before 19 September 2012) is: www.ubs.com/onesource/kft.

UBS OneSource – What is changing following the Spin-Off? (effective October 8, 2012)

- There will be a separate link to access your outstanding Awards for MDLZ.
- There will be a different link to access the KFT OLD account (for historical reporting purposes only).
- All unexecuted orders (e.g. Limit Sell Order) which have been placed in the KFT UBS account before the blackout begins will be cancelled. **You** will need to re-issue these orders for the adjusted and converted Awards in the new UBS account. No exceptions can be made.
- Any cash held in your KFT UBS account will be transferred to the MDLZ UBS account, following the Spin-Off.

UBS OneSource - What is staying the same following the Spin-Off?

- Your UBS Participant ID
- Your UBS PIN/Password
- W8-Ben and W9 US Tax Forms (including original expiration date) - If you have completed this for KFT it will be copied to your new account.
- MDLZ employees will continue to use the current phone number to contact the UBS Call Center.

I have vested KFT common shares held in UBS from previous transactions. How will these shares be impacted by the Spin-Off?

Any KFT shares received pursuant to the vesting and/or exercise of previously outstanding Awards held in UBS will be treated the same as shares held by other KFT shareholders. This means that if you are a KFT shareholder on the record date for the distribution (September 19, 2012), following the Spin-Off you will automatically receive KRFT shares, based on the distribution ratio of 1:3 (i.e. you will receive 1 KRFT share for every 3 KFT/MDLZ shares you hold). These shares will remain in your UBS account and the MDLZ shares will be accessible via the same link that will be used to access your MDLZ Awards (see the “What will happen to my UBS account?” section above). To access the KRFT shares following the Spin-Off, please use the following link: www.ubs.com/onesource/krft. Your UBS Participant ID and Password will remain the same.

I have stock options which expire near the UBS administrative blackout period what happens to these?

We will not be extending the blackout period for those who have an expiration date which falls near the blackout period. Please make a note of the expiration dates of all of your existing Awards and ensure you are familiar with all events which may change the expiration term of your options, such as terminating your employment. **This is your responsibility, not the Company’s to inform you.**

What further action do I need to take?

You do not need to do anything to effect the adjustment and conversion of your Awards to Awards of MDLZ shares; this will happen automatically if you have outstanding Awards on the record date for the Distribution, September 19, 2012. If you wish to transact on any of your vested but unexercised stock options prior to the Spin-Off, you must make sure that you access the system and execute a transaction by the closing time of the NASDAQ Stock Market on Tuesday, September 18, 2012.

What happens next?

A few weeks after the Spin-Off has taken place, you will receive a combined statement from UBS via postal mail which contains all of the details about the Awards which have been adjusted and converted, including the stock prices for KFT and MDLZ that were used in the conversion. We will also be updating the online calculator with the actual stock prices used so that you can check the conversion calculations, if you wish.

Additional support

We have posted some support materials (an online calculator, and copies of all of the employee communications) on a special [Compensation & Benefits section of the KFT corporate internet site](#) which will help you better understand how the conversion will impact your Awards. <http://www.kraftfoodscompany.com/Investor/CompensationBenefitsEN.aspx>.

Please click [here](#) to view the online calculator.

If you need help understanding the information contained in this letter, you can contact your HR representative or compensation leader or email: compensation@kraftfoods.com.

UBS

For general questions about logging in to UBS and/or viewing your UBS account

UBS OneSource Call Center

ALL participants before October 8, 2012 and MDLZ employees and terminated employees only, from October 8, 2012):

+1-800-230-2967 (from within the U.S.)

+1-201-272-7552 (outside the U.S.)

Logging in - You will need your UBS Participant ID and your Personal Identification Number ("PIN") to log in to UBS. On or before September 18th, 2012 the address is: www.ubs.com/onesource/kft. From October 8, 2012 please use the separate weblink for the MDLZ UBS database which are featured in the "What will happen to my UBS account" question above.

If you have not logged in before, or if you have forgotten your PIN, you can click the link for "*First Time Login - No PIN/Password*", which is located below the login pad when you click on the UBS website link above. UBS has a call center which can assist with you with all of your equity plan and technical questions. However please note, UBS cannot provide your Participant ID.

To access your UBS Participant ID Number:

All current & former KFT Employees from Australia, including inbound and outbound expatriates; nationals of China; and individuals located in Thailand and Thailand inbound and outbound expatriates, should contact their local Kraft HR Department to obtain their UBS Participant ID number.