

Distribution of Kraft Foods Group, Inc. Common Stock General Information Regarding Canadian Federal Income Tax Treatment

Summary: This notice provides information regarding certain Canadian federal income tax consequences of the Spin-Off, including information regarding the special tax election that certain Canadian Kraft Shareholders may make for the Spin-Off to be tax-deferred to such Canadian Kraft Shareholders.

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On October 1, 2012 (the “Distribution Date”), Kraft Foods Inc., a corporation resident in the U.S. (“Kraft”), distributed (the “Spin-Off”) its outstanding shares of common stock of Kraft Foods Group, Inc., a corporation resident in the U.S. (“KFG”), to the holders of record of Kraft common stock (each a “Kraft Shareholder”) that were issued and outstanding as of 5:00 p.m. Eastern Time on September 19, 2012 (the “Record Date”). On the Distribution Date, each Kraft Shareholder received one share of KFG common stock for every three shares of Kraft common stock owned on the Record Date. Kraft Shareholders also received cash in exchange for any fractional share of KFG common stock resulting from the Spin-Off. Kraft changed its name to Mondelēz International, Inc. (“Mondelēz”) after the effective time on the Distribution Date.

This notice is generally applicable to Kraft Shareholders who, for the purposes of the *Income Tax Act* (Canada) (the “Canadian Tax Act”) and at all relevant times, (i) were resident or were deemed to be resident in Canada, (ii) held their Mondelēz common stock and KFG common stock as capital property, (iii) dealt at arm’s length with Mondelēz and KFG, and (iv) were not affiliated with Mondelēz or KFG (“Canadian Holders”). This notice is not applicable to a Canadian Holder (i) that is a “financial institution”, as defined in the Canadian Tax Act for the purposes of the mark-to-market rules, (ii) an interest in which would be a “tax shelter investment”, as defined in the Canadian Tax Act, (iii) that is a “specified financial institution”, as defined in the Canadian Tax Act, (iv) who makes or has made a functional currency reporting election pursuant to section 261 of the Canadian Tax Act, or (v) who holds or has held Mondelēz common stock through a deferred income plan.

The Canadian Tax Act provides that a distribution by a U.S. resident corporation of common shares of another U.S. resident corporation to Canadian Holders in a U.S. tax-free distribution may, in certain circumstances, qualify as a type of reorganization where shareholders can elect for tax-deferred treatment under the Canadian Tax Act. The Canada Revenue Agency (“CRA”) has determined that the Spin-Off qualifies as a type of reorganization where Canadian Holders can elect to obtain tax-deferred treatment under the Canadian Tax Act. The CRA has posted such information on its website at: <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/spnffs-eng.html>.

Accordingly, a Canadian Holder is generally entitled to make an election under section 86.1 of the Canadian Tax Act to have the distribution of KFG common stock not included in the Canadian Holder’s income for Canadian tax purposes. In order to receive tax-free treatment, a Canadian Holder must make a valid election pursuant to section 86.1 of the Canadian Tax Act.

The election must be made in writing, must be filed with the Canadian Holder's paper income tax return for the taxation year that includes the Distribution Date, and must provide the information required by the CRA. Electing Canadian Holders are urged to contact their own tax advisors for advice regarding the consequences of making such an election having regard to their own circumstances, and for detailed advice concerning the procedure to be followed to make such an election. Information regarding the filing of the election may be found on the CRA website at: <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/frgn-eng.html>.

If a valid tax election is made pursuant to section 86.1 of the Canadian Tax Act, the adjusted cost base of a Canadian Holder's shares of Mondelēz common stock immediately before the Spin-Off is required to be allocated between such shares of Mondelēz common stock and the shares of KFG common stock received by the Canadian Holder in the Spin-Off, based on the relative fair market values of such Mondelēz common stock and KFG common stock immediately after the Spin-Off.

If a valid tax election, as described above, is not filed, a Canadian Holder would be required to include in such Canadian Holder's income for Canadian federal income tax purposes, as a taxable dividend from Mondelēz, an amount equal to the fair market value of the shares of KFG common stock received (including any fractional share), determined as of the Distribution Date. Canadian Holders would not be entitled to the gross-up and dividend tax credit treatment (for individuals) or the inter-corporate dividend deduction (for corporations) normally applicable to dividends received from taxable Canadian corporations.

On the Spin-Off Canadian Holders disposed of any fraction of a share of KFG common stock for cash, and have realized a capital gain (or capital loss) to the extent the cash so received exceeds (or is less than) the aggregate of the adjusted cost base of such fraction of a share and any reasonable costs of disposition. In general, one-half of a capital gain is included in income as a taxable capital gain and one-half of a capital loss is deducted against taxable capital gains to the extent and under the circumstances specified in the Canadian Tax Act.

CONSULT YOUR TAX ADVISOR

This notice regarding the Canadian federal income tax consequences of the Spin-Off is for general information purposes and does not constitute tax advice. The information contained in this notice is based on existing Canadian federal income tax laws and regulations, and it does not purport to be complete or to describe the consequences that may apply to particular categories of Mondelēz stockholders. You are urged to consult your own tax advisor regarding the federal, provincial and foreign tax consequences of the Spin-Off to you, including the applicability and effect of any Canadian federal, provincial, territorial and foreign tax laws and regarding the advisability of, and actions and information necessary to make, any available election under section 86.1 of the Canadian Tax Act.
