

Kraft Foods Steps Up Investment in Russia

\$1.3 Million 'Health 4 Schools' Program Reaching 10,000 Kids and Opening of New Biscuit Plant Show Long-Term Commitment to Russian Market

NORTHFIELD, Ill., Oct. 14 /PRNewswire-FirstCall/ -- Everyone needs to eat. But in Russia, 70 percent of children ages 6 to 11 don't regularly eat breakfast. School lunches often lack protein and vitamins. And to make matters worse, schools often lack adequate sports and playground equipment to help children exercise. Without good nourishment, children can't concentrate to do their best in school. And without enough physical activity, kids can't be healthy.

Kraft Foods is helping change this reality by fighting hunger and promoting healthy lifestyles in Russia and around the world. Seeing an urgent need, the Kraft Foods Foundation is expanding its successful "Health 4 Schools" program with a \$1.3 million grant to CAF Russia. The new program will help more than 10,000 children and their families make smart food choices and become more active, increasing the amount of participating children tenfold and expanding the program to 14 new schools in two new regions. The program got its start in Russia with only 200 students just three years ago, building on a similar United Kingdom effort that now reaches nearly 100 schools.

The company made the announcement as it unveiled its fourth plant in Russia - a \$50 million biscuit plant that will employ 600 people. The new facility will cook up delicious *Bolshevic* biscuits - a legendary Russian brand. Russia is one of Kraft Foods' priority markets, with 2,500 employees and powerhouse brands like *Carte Noire* and *Jacobs* coffees, and *Milka* and *Cote d'Or* chocolates. It's also home to Kraft Foods' second largest chocolate plant that makes more than 60,000 tons of chocolate per year. In the past 15 years, the company has invested more than \$600 million in the Russian economy. The new plant and community program punctuate the company's commitment to the market.

"Hunger and malnutrition are the greatest threats to health and well-being around the world," said Nicole Robinson, Vice President, Kraft Foods Foundation. "Thanks to CAF Russia, 'Health 4 Schools' will teach thousands of children about eating right, cooking healthy meals and keeping active. And the program involves parents and schools, so entire communities get educated."

"I'm delighted Kraft Foods has built on the success of their healthy lifestyles program in Russia by extending it to the Moscow and Vladimurskaya oblasts," said Susan Saxon-Harrold, Chief Executive Officer, CAFAmerica. "When CAFAmerica and CAF Russia collaborated with Kraft Foods to develop this unique initiative three years ago, we had high hopes it would impact many young people. By expanding this successful effort, Kraft Foods is improving the lives of even more children in the most fundamental way, through a healthy diet."

Bigger Investments, Bigger Impact

"Health 4 Schools" is one of three hunger and healthy lifestyles programs Kraft Foods has announced around the world within the last year. It's part of the company's new strategy to make bigger investments with key partners to generate a greater impact on people in need - all while

tapping into its expertise as a global food company. This April, the Kraft Foods Foundation and Save the Children joined forces in a three-year, \$3 million partnership to help 180,000 Filipino and Indonesian children and their families suffering from malnutrition. And late last year, the Kraft Foods Foundation created a three-year \$4.5 million mobile pantry program with Feeding America to deliver 50 million nutritious meals and fresh produce to hungry families in the U.S.

Kraft Foods has been fighting hunger for more than 25 years. In that time, the company has donated \$770 million in cash and food. And, in the past 12 years it has provided more than one billion servings of food. But more needs to be done. That's why Kraft Foods is stepping up its efforts with a new, four-pronged approach and three-year, \$180 million commitment to fight hunger and support healthy lifestyles. The company is affecting lasting change by donating cash and food to address immediate needs, spreading its food technology know-how, supporting sustainable agriculture and advocating for coherent public policy.

About CAFAmerica

CAFAmerica was founded in 1992 as a member organization of the London-based CAF International Network, which provides charitable financial services to nonprofits, individuals and companies. It's dedicated to expanding borderless charitable giving by providing guidance and international grant making options for donors. CAFAmerica helps companies, family and community foundations, and individuals to manage their international philanthropy efforts and strengthen charitable activity around the world. It also advises on fundraising and grant-making, allows online account management and provides online giving mechanisms for nonprofits.

About CAF Russia

CAF Russia is a branch of Charities Aid Foundation in the United Kingdom. Since its founding in 1993, CAF Russia has dedicated more than \$40 million and has developed more than 300 initiatives aimed at solving social problems, from aiding organizations for the disabled to developing community foundations in more than 30 regions of the country.

About Kraft Foods

Kraft Foods (www.kraftfoodscompany.com) makes today delicious in 150 countries around the globe. Our 100,000 employees work tirelessly to make delicious foods consumers can feel good about. From American brand icons like *Kraft* cheeses, dinners and dressings, *Maxwell House* coffees and *Oscar Mayer* meats, to global powerhouse brands like *Oreo* and *LU* biscuits, *Philadelphia* cream cheeses, *Jacobs* and *Carte Noire* coffees, *Tang* powdered beverages and *Milka*, *Cote d'Or*, *Lacta* and *Toblerone* chocolates, our brands deliver millions of smiles every day. Kraft Foods (NYSE: KFT) is the world's second largest food company with annual revenues of \$42 billion. The company is a member of the Dow Jones Industrial Average, Standard & Poor's 500, the Dow Jones Sustainability Index and the Ethibel Sustainability Index.

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