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'WASTE NOT, WANT NOT' ARE WORDS TO LIVE BY FOR KRAFT FOODS EMPLOYEES

- *Programs Have Cut Manufacturing Waste by 30% in Four Years*
- *Company Now Reuses and Recycles 90% of its Manufacturing Waste*
- *Nine Facilities in North America Send Zero Waste to Landfills*

NORTHFIELD, Ill. – July 7, 2010 – Whether people call it garbage, rubbish, trash or junk – everyone creates waste. And no matter what it's called, too much waste ends up in landfills that can affect nearby communities and cost lots of money to manage. In short, people need to find ways to create less waste and find better uses for the waste they produce. At Kraft Foods, employees are doing just that, and they're getting big results.

Over the past four years, Kraft Foods employees reduced net waste from manufacturing plants by 30 percent from 2005 levels,¹ exceeding a goal of a 15 percent reduction by 2011. Employees are constantly raising the bar – improving efficiency, changing behavior, business practices and culture – and creating new partnerships to turn waste into something of value.

"Employees took our aggressive waste reduction goal and ran with it," said Steve Yucknut, Vice President, Sustainability. "Not only did they meet our goal two years early, they simply crushed it by doubling our performance with a 30 percent reduction. Their enthusiasm has made a huge impact. In fact, we now recycle or reuse 90 percent of our manufacturing waste."

For Kraft Foods, manufacturing accounts for the vast majority of its solid waste output, so its plants are a natural place to take action. In 2007, the company launched a program with the global packaging and recycling company Sonoco to substantially reduce waste in plants. The ultimate objective: send zero waste to landfills.

Today, nine Kraft Foods facilities have achieved zero-waste-to-landfill status: three Canadian plants (Mississauga, Oakville and Scarborough, Ontario); five U.S. plants (New Ulm, Minn.; Fair Lawn, N.J.; Philadelphia and Allentown, Pa.; and Suffolk, Va.); and a U.S. distribution center (Bethlehem, Pa.). In Europe, most of the company's plants are

¹Normalized to production

essentially net waste free, and elsewhere, many plants have made significant reductions through partnerships to put waste to work.

To learn more about Kraft Foods' waste-reduction efforts around the world – including a video of one of the company's waste-to-energy projects in action, downloadable high-resolution photos and a fact sheet of success stories – go to www.kraftfoodscompany.com/MediaCenter/country-press-releases/us/2010/Pages/multi_media_07072010.aspx.

With annual revenues of approximately \$48 billion, Kraft Foods is a global powerhouse in snacks, confectionery and quick meals. The company is the world's second largest food company, making delicious products for billions of consumers in more than 160 countries. The portfolio includes 11 iconic brands with revenues exceeding \$1 billion – *Oreo*, *Nabisco* and *LU* biscuits; *Milka* and *Cadbury* chocolates; *Trident* gum; *Jacobs* and *Maxwell House* coffees; *Philadelphia* cream cheeses; *Kraft* cheeses, dinners and dressings; and *Oscar Mayer* meats. Approximately 70 brands generate annual revenues of more than \$100 million. Kraft Foods (www.kraftfoodscompany.com; NYSE: KFT) is a member of the Dow Jones Industrial Average, Standard & Poor's 500, Dow Jones Sustainability Index and Ethibel Sustainability Index.

- make today delicious -