

Distribution of Kraft Foods Inc. Class A Common Stock

Altria Group, Inc. Shareholder Tax Basis Information

If you did not receive the Distribution (as defined below) of Kraft Foods Inc. Class A Common Stock on March 30, 2007, you may disregard this notice. Additionally, this notice does not apply to shares of Altria Group, Inc. common stock sold, exchanged or otherwise disposed of prior to the time of the Distribution.

On March 30, 2007, Altria Group, Inc., a Virginia corporation (“Altria”), distributed (the “Distribution”) its outstanding shares of Class A common stock of Kraft Foods Inc., a Virginia corporation (“Kraft”), to the holders of record of Altria common stock that were issued and outstanding as of 5:00 p.m. Eastern Time on March 16, 2007 (each an “Altria Shareholder”). Altria Shareholders will also receive cash in lieu of any fractional share of Kraft common stock resulting from the Distribution.

Altria Shareholders will be required to allocate the aggregate tax basis in their Altria common stock among the shares of Kraft common stock received in the Distribution and their shares of Altria common stock (including the fractional share for which cash was received). The excess of the cash received in lieu of a fraction of a share of Kraft common stock over the basis allocable to such fractional share will be treated as capital gain from the sale of such fractional share.

An Altria Shareholder’s aggregate tax basis in his or her shares of Altria common stock prior to the Distribution should be allocated in proportion to the fair market value of the Kraft common stock received (including any fractional share of Kraft common stock for which cash was received) and the Altria common stock in respect of which such Kraft common stock was received. Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. Thus, one possible approach to determining the fair market value of the Altria common stock and the Kraft common stock is to utilize the closing price quoted on the New York Stock Exchange on the day after the Distribution for both Altria common stock, which was \$68.22 per share, and Kraft common stock, which was \$30.85 per share. Based on such values and the distribution ratio of 0.692024 of a share of Kraft common stock for each share of Altria common stock, 76.16% of an Altria Shareholder’s aggregate tax basis in his or her shares of Altria common stock prior to the Distribution should be allocated to such Altria Shareholder’s shares of Altria common stock and 23.84% should be allocated to such Altria Shareholder’s shares of Kraft common stock (including the fractional share of Kraft common stock for which cash was received).

The following is an **example** of how the basis allocation would be so applied:

Assumptions:

Shares of Altria common stock owned	100
Altria Shareholder’s aggregate tax basis (@ \$85 per share)(A)	\$8,500
Shares of Kraft common stock received in the Distribution (including the 0.2024 fractional share for which cash was received) (100 shares of Altria common stock x 0.692024 distribution ratio)	69.2024

Tax Basis Allocation:

	# Shares Owned	NYSE Closing Price (4/2/2007)	Fair Market Value (4/2/2007)	Percentage of Total Fair Market Value (4/2/2007) (B)	Allocated Tax Basis = (A) x (B)
Altria Common Stock	100	\$68.22	\$6,822.00	76.16%	\$6,473.60 (76.16% of \$8,500)
Kraft Common Stock	69.2024	\$30.85 ⁽¹⁾	\$2,134.89	23.84%	\$2,026.40 (23.84% of \$8,500)
Totals			<u>\$8,956.98</u>	<u>100%</u>	<u>\$8,500.00</u>

- (1) In accordance with the Distribution Agreement between Altria and Kraft dated January 31, 2007, the distribution agent aggregated all fractional shares into whole shares, sold the whole shares in the open market at the prevailing market price (which was \$31.2527) and distributed the aggregate cash proceeds of the sales pro rata (based on the fractional share such holder would otherwise be entitled to receive) to each holder who otherwise would have been entitled to receive a fractional share in the Distribution.

Certain Altria Shareholders (i.e., those shareholders who, immediately before the Distribution, owned 5% or more of Altria stock or have an aggregate basis in their Altria stock of \$1 million or more) who received shares of Kraft common stock in the Distribution (including any cash in lieu of a fractional share of Kraft common stock) are also required to include a statement related to the Distribution in their U.S. Federal income tax returns for the year in which the Distribution occurs. This statement, "INFORMATION STATEMENT PURSUANT TO TREASURY REGULATIONS SECTION 1.355-5T(B) BY A SIGNIFICANT DISTRIBUTE," is attached to this notice for your convenience.

The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. It does not purport to be complete or to describe the consequences that apply to particular categories of Altria Shareholders (e.g., it does not address Altria Shareholders who did not hold their shares of Altria common stock continuously from 5:00 p.m. Eastern Time on the record date until the time of the Distribution, who sold shares of Kraft common stock or who acquired blocks of Altria common stock at different times and prices). Altria Shareholders are encouraged to consult with their tax advisors for questions on their own specific tax position.

**INFORMATION STATEMENT PURSUANT TO TREASURY REGULATIONS SECTION
1.355-5T(B) BY A SIGNIFICANT DISTRIBUTE**

On March 30, 2007, Altria Group, Inc., a Virginia corporation (“Altria”), distributed (the “Distribution”) outstanding shares of Class A common stock of Kraft Foods Inc., a Virginia corporation (“Kraft”), to the holders of record of Altria common stock as of 5:00 p.m. Eastern Time on March 16, 2007 (the “Record Date”). As a result of the Distribution, each holder of record of shares of Altria common stock as of the Record Date was entitled to receive 0.692024 of a share of Kraft Class A common stock for each outstanding share of Altria common stock held by such shareholder as of the Record Date.

1. Name, address and employer identification number of the distributing corporation:

Altria Group, Inc.
120 Park Avenue
New York, NY 10017
EIN: 13-3260245

2. Name, address and employer identification number of the controlled corporation:

Kraft Foods Inc.
Three Lakes Drive
Northfield, Illinois 60093
EIN: 52-2284372

3. The undersigned was a shareholder owning Altria common stock as of the Record Date and received shares of Kraft Class A common stock, no par value, in the Distribution. The undersigned received cash in lieu of a fractional share of Kraft Class A common stock, which fractional shares were aggregated and sold by the distribution agent. The aggregate fair market value of the Kraft Class A common stock and cash received by the shareholder was \$_____.

4. The undersigned did not surrender any stock or securities in Altria in connection with the Distribution.

5. The Distribution is a transaction that is described under Section 355 of the Internal Revenue Code of 1986, as amended.

Shareholder’s Name (please print)

Shareholder’s Signature

Taxpayer Identification Number
or Social Security Number

**THIS STATEMENT SHOULD BE ATTACHED TO YOUR 2007 U.S. FEDERAL INCOME
TAX RETURN. IT SHOULD NOT BE SENT TO ALTRIA GROUP, INC. OR KRAFT
FOODS INC.**