

[For stock basis computations see http://denvertax.com/altria-kraft-philip-morris-basis](http://denvertax.com/altria-kraft-philip-morris-basis)

Kraft Foods Commences Split-Off Exchange Offer for the *Post* Cereals Business

- 10% Exchange Offer Discount Announced - - Transaction Expected to Close August 4, 2008 -

NORTHFIELD, Ill., June 25 /PRNewswire-FirstCall/ -- Kraft Foods Inc. (NYSE: KFT) today announced that it has commenced its exchange offer related to the split-off transaction of its *Post* cereals business. The split-off transaction is in connection with the merger of Cable Holdco, Inc., a wholly owned subsidiary of Kraft that will own certain assets and liabilities of the *Post* cereals business, and a subsidiary of Ralcorp Holdings, Inc. (NYSE: RAH). As previously announced, Kraft entered into a definitive agreement on November 15, 2007, to distribute and merge its *Post* cereals business into Ralcorp.

In this split-off transaction, Kraft shareholders will have the option to exchange some or all of their shares of Kraft common stock and receive shares of Cable Holdco common stock. The value of Kraft shares and Cable Holdco common stock will be calculated using the simple arithmetic average of the daily volume-weighted average prices of Kraft common stock and Ralcorp common stock on the New York Stock Exchange on the last three trading days of the offer.

This exchange offer is designed to permit Kraft shareholders to exchange their shares of Kraft common stock for shares of Cable Holdco common stock at a 10 percent discount to the per share value of Ralcorp common stock, subject to a limit of 0.6613 shares of Cable Holdco common stock per Kraft share. The Cable Holdco common stock will then immediately be exchanged for shares of Ralcorp common stock on a one-for-one basis following the merger of Cable Holdco and a Ralcorp subsidiary. Ultimately, at the conclusion of this exchange offer and the subsequent merger of Cable Holdco and Ralcorp, Kraft shareholders will own up to 0.6613 shares of Ralcorp for each Kraft share exchanged.

If the exchange ratio limit of 0.6613 shares of Cable Holdco common stock per Kraft share is reached, then the exchange offer will be subject to a two business day mandatory extension described in the exchange offer materials being sent to Kraft shareholders.

The exchange is expected to be tax-free to participating Kraft shareholders for U.S. federal income tax purposes. The exchange offer will expire at 8:00 a.m., New York City time, on August 4, 2008, unless extended, and will coincide with the closing of the merger of the *Post* cereals business and Ralcorp. The transactions are subject to customary closing conditions, including Ralcorp shareholder approval. As a result of the exchange offer, the number of Kraft's outstanding shares will be reduced.

Approximately 30.5 million shares of Cable Holdco will be offered in exchange for Kraft common stock, subject to adjustments in certain circumstances. The exchange offer will be subject to proration if the offer is over-subscribed, and the number of shares Kraft accepts in the exchange offer may be less than the number of shares tendered.

If the exchange offer is consummated but not fully subscribed, then the remaining shares of Cable Holdco common stock owned by Kraft will be distributed as a pro rata dividend to Kraft shareholders.

ABOUT KRAFT FOODS INC.

For more than a century, Kraft (<http://www.kraft.com>) has offered delicious foods and beverages that fit the way consumers live. Today, we are turning the brands that consumers have lived with for years into brands they can't live without. Millions of times a day in more than 150 countries, consumers reach for their favorite Kraft brands, including nine with revenues exceeding \$1 billion: Kraft cheeses, dinners and dressings; Oscar Mayer meats; Philadelphia cream cheese; Maxwell House coffee; Nabisco cookies and crackers and its Oreo brand; Jacobs coffees; Milka chocolates; and LU biscuits. Kraft is one of the world's largest food and beverage companies with annual revenues exceeding \$37 billion, more than 100,000 employees and more than 180 manufacturing and processing facilities globally. The company's stock (NYSE: KFT) is listed on the Standard & Poor's 100 and 500 indexes as well as the Dow Jones Sustainability Index and Ethibel Sustainability Index.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements that we intend to distribute via a split-off transaction all of the outstanding shares of Cable Holdco; that we expect the exchange to be tax-free to participating Kraft shareholders; that the transactions are subject to customary closing conditions, including Ralcorp shareholder

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approval; the expiration date of the offer; the number of shares that will be offered in the exchange; the number of shares Kraft accepts in the exchange; and the number of Cable Holdco shares to be distributed as a pro rata dividend. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those predicted in the forward-looking statements. Such factors include, but are not limited to, delays in or a failure to consummate the transaction. For additional information on these and other factors that could affect our forward-looking statements, see our filings with the SEC, including our most recently filed Annual Report on Form 10-K/A and subsequent reports on Forms 10-Q and 8-K. We disclaim and do not undertake any obligation to update or revise any forward-looking statements in this press release.

NON-SOLICITATION

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

ADDITIONAL INFORMATION

In connection with the proposed acquisition by Ralcorp of the *Post* cereals business from Kraft, Cable Holdco, Inc., which is a subsidiary of Kraft, has filed a registration statement (including a prospectus) on Form S-4 and Form S-1 with the SEC (Reg. No. 333-150212). Ralcorp has filed a registration statement on Form S-4 with the SEC that also includes the prospectus (Reg. No. 333-150222). In addition, Ralcorp has filed a proxy statement on Schedule 14A. Shareholders are urged to read the proxy statement and prospectus and any other relevant documents, because they contain important information about Kraft, Ralcorp and the proposed transaction. A definitive proxy statement has been sent to shareholders of Ralcorp seeking approval for the issuance of shares of Ralcorp common stock in connection with the transaction, and the final prospectus is being sent to shareholders of Kraft. The proxy statement and prospectus and the other documents relating to the proposed transaction can be obtained free of charge from the SEC's website at www.sec.gov. These documents can also be obtained free of charge from Kraft upon written request to Kraft Foods Inc., Three Lakes Drive, Northfield, Illinois 60093, or by calling (847) 646-5494, or from Ralcorp, upon written request to Ralcorp Holdings, Inc., 800 Market Street, Suite 2900, Saint Louis, Missouri 63101, or by calling (314) 877-7113.

POST-COMMENCEMENT WRITTEN COMMUNICATIONS

In connection with the exchange offer for the split-off of the shares of common stock of Cable Holdco, Kraft filed on June 25, 2008 a tender offer statement with the SEC. Investors and security holders are urged to read the tender offer statement, because it contains important information. Investors and security holders may obtain a free copy of the tender offer statement and other documents filed by Kraft with the SEC from the SEC's web site at www.sec.gov. The tender offer statement and these other documents may also be obtained for free from Kraft by directing a request to Kraft Foods Inc., Three Lakes Drive, Northfield, Illinois 60093, or by calling (847) 646-5494.

PARTICIPANTS IN THE PROPOSED TRANSACTION

This communication is not a solicitation of a proxy from any security holder of Ralcorp and shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any jurisdiction in which such solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. However, Kraft, Ralcorp and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from shareholders in connection with the proposed transaction under the rules of the SEC. Information about the directors and executive officers of Kraft may be found in its 2007 Annual Report on Form 10-K/A filed with the SEC on February 26, 2008, definitive proxy statement relating to its 2008 Annual Meeting of Shareholders filed with the SEC on March 26, 2008 and current reports on Form 8-K filed with the SEC. Information about the directors and executive officers of Ralcorp may be found in its 2007 Annual Report on Form 10-K filed with the SEC on November 29, 2007, definitive proxy statement relating to its 2008 Annual Meeting of Shareholders filed with the SEC on November 29, 2007 and current reports on Form 8-K filed with the SEC. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the interests of these participants is also included in the proxy statement and prospectus regarding the proposed transaction when it becomes available.

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