KRAFT FOODS INC

Form 4

August 03, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Check this box if no longer subject to Section 16.

Form 4 or Form 5 obligations

may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person * SCHAPIRO MARY L

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

OMB APPROVAL

3235-0287

January 31,

2005

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OMB

Number:

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response...

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KRAFT FOODS INC [KFT]

(First) (Middle) (Last)

(Street)

(State)

3. Date of Earliest Transaction

(Month/Day/Year) 08/01/2006

X_ Director 10% Owner Officer (give title Other (specify

(Check all applicable)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

WASHINGTON, DC 20006

NASD, 1735 K STREET NW

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

below)

Person

1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3)

(City)

(Month/Day/Year)

(Zip)

4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of 6. Ownership Securities Form: Direct Beneficially (D) or Indirect Beneficial Owned Following (Instr. 4)

Reported (A) Transaction(s) or (Instr. 3 and 4) Code V Amount (D) Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of 3. Transaction Date 3A. Deemed Derivative Conversion (Month/Day/Year) Security or Exercise (Instr. 3) Price of

Execution Date, if (Month/Day/Year)

4 5. TransactionNumber Code of (Instr. 8) Derivative

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of 8. Price of **Underlying Securities** (Instr. 3 and 4)

7. Nature of

Ownership

(Instr. 4)

Indirect

Derivative Security (Instr. 5)

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	Derivative Security				Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)					
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock	(1)	08/01/2006	08/01/2006	A	24 (2)	<u>(1)</u>	<u>(1)</u>	Class A Common Stock	24 (2)	\$

\$ 32.31

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

SCHAPIRO MARY L
NASD
1735 K STREET NW
WASHINGTON, DC 20006

Signatures

/s/ Marc S. Firestone, by power of attorney 08/03/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Each share of phantom stock is the economic equivalent of one share of Class A Common Stock. The shares of phantom stock, which

 (1) were acquired under the Kraft Foods Inc. 2006 Stock Compensation Plan for Non-Employee Directors, become payable in cash upon the reporting person's termination of service as a member of the issuer's board of directors.
- (2) The number of shares of phantom stock credited to the reporting person is determined by dividing the meeting fees earned by the reporting person during the month by the closing price (\$32.31) of the Issuer's Class A Common Stock on July 31, 2006.
- (3) This number includes shares of phantom stock credited to the reporting person's account as a result of the reinvestment of dividends on the Class A Common Stock.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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