Kraft Foods Inc. and Subsidiaries

Consolidated Balance Sheets, at December 31,

(in millions of dollars)

2007 2006

LIABILITIES

Short-term borrowings $ 7,385 $ 1,715

Current portion of long-term debt 722 1,418

Due to Altria Group, Inc. and affiliates - 607

Accounts payable 4,065 2,602

Accrued liabilities:

Marketing 1,833 1,626

Employment costs 913 750

Dividends payable 414 45

Other 1,654 1,559

Income taxes 100 151

Total current liabilities 17,086 10,473

Long-term debt 12,902 7,081

Deferred income taxes 4,876 3,930

Accrued pension costs 810 1,022

Accrued postretirement health care costs 2,846 3,014

Other liabilities 2,178 1,499

TOTAL LIABILITIES 40,698 27,019