

KRAFT FOODS INC
 Form 424B2
 May 19, 2008
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The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This prospectus supplement relates to an effective registration statement under the Securities Act of 1933. This preliminary prospectus supplement and the accompanying prospectus is not an offer to sell these securities nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**Filed Pursuant to Rule 424(b)(2)
 Registration No. 333-147829**

Subject to Completion, Dated May 19, 2008

Preliminary Prospectus Supplement to Prospectus dated December 4, 2007

\$

Kraft Foods Inc.

\$ % Notes due

Kraft will pay interest on the notes on _____ and _____ of each year beginning on _____, 2008. The notes will be issued only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

If we experience a change of control triggering event, we may be required to offer to purchase the notes from holders. See Description of Notes Change of Control .

See *Risk Factors* beginning on page S-5 to read about important factors you should consider before buying the notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Note	Total
Initial public offering price	%	\$
Underwriting discount	%	\$
Proceeds, before expenses, to Kraft	%	\$

The initial public offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from _____, 2008 and must be paid by the purchasers if the notes are delivered after _____, 2008.

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company, including its participants Clearstream Banking, société anonyme, Luxembourg or Euroclear Bank S.A./N.V., as operator of the EuroclearSystem, against payment in New York, New York on or about _____, 2008.

Joint Book-Running Managers

Credit Suisse Goldman, Sachs & Co. HSBC JPMorgan UBS Investment Bank

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Lead Manager

SOCIETE GENERALE

Senior Co-Managers

Co-Managers

Prospectus Supplement dated _____, 2008.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the attached prospectus and any permitted free writing prospectus we have authorized for use with respect to this offering. No one has been authorized to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information in this prospectus supplement or the attached prospectus or any document incorporated by reference is accurate as of any date other than the date on the front of those documents.

In connection with this offering, Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities Inc. and UBS Securities LLC or their respective affiliates may over-allot or effect transactions which stabilize or maintain the market price of the notes at levels which might not otherwise prevail. In any jurisdiction where there can only be one stabilizing agent, Credit Suisse Securities (USA) LLC or its affiliates shall effect such transactions. This stabilizing, if commenced, may be discontinued at any time and will be carried out in compliance with the applicable laws, regulations and rules.

The distribution of this prospectus supplement and the attached prospectus and the offering or sale of the notes in some jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement and the attached prospectus come are required by us and the underwriters to inform themselves about and to observe any applicable restrictions.

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This prospectus supplement and the attached prospectus may not be used for or in connection with an offer or solicitation by any person in any jurisdiction in which that offer or solicitation is not authorized or to any person to whom it is unlawful to make that offer or solicitation.

This prospectus supplement has been prepared on the basis that any offer of notes in any Member State of the European Economic Area (consisting of the European Union plus Iceland, Norway and Liechtenstein) which has implemented the Prospectus Directive (2003/71/EC) (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of notes which are the subject of the offering contemplated in this prospectus supplement may only do so in circumstances in which no obligation arises for us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement contains the terms of this offering of notes. This prospectus supplement, or the information incorporated by reference in this prospectus supplement, may add, update or change information in the attached prospectus. If information in this prospectus supplement, or the information incorporated by reference in this prospectus supplement, is inconsistent with the attached prospectus, this prospectus supplement, or the information incorporated by reference in this prospectus supplement, will apply and will supersede that information in the attached prospectus.

It is important for you to read and consider all information contained in this prospectus supplement and the attached prospectus in making your investment decision. You should also read and consider the information in the documents we have referred you to in *Where You Can Find More Information* in the attached prospectus, including our annual report on Form 10-K/A for the year ended December 31, 2007 and our quarterly report on Form 10-Q for the quarterly period ended March 31, 2008, which have been filed with the Securities and Exchange Commission (the *SEC*).

References in this prospectus to *Kraft*, the *Company*, *we*, *us* and *our* refer to Kraft Foods Inc. and its subsidiaries. Trademarks and servicemarks in this prospectus supplement and the attached prospectus appear in italic type and are the property of or licensed by our subsidiaries.

References herein to *\$* and *dollars* are to United States dollars, and financial data included or incorporated by reference herein have been presented in accordance with accounting principles generally accepted in the United States of America.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the information included in this prospectus supplement, the attached prospectus and the documents we have incorporated by reference herein or therein contain forward-looking statements. You can identify these forward-looking statements by use of words such as *strategy*, *expects*, *plans*, *anticipates*, *believes*, *will*, *continues*, *estimates*, *intends*, *projects*, *goals* or words of similar meaning. You can also identify them by the fact that they do not relate strictly to historical or current facts. We cannot guarantee that any forward-looking statement will be realized, although we believe that we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties, and the possibility of inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Investors should bear this in mind as they consider forward-looking statements and whether to invest in or remain invested in our securities. In connection with the *safe harbor* provisions of the Private Securities Litigation Reform Act of 1995, we identify from time to time important factors that could cause actual results and outcomes to differ materially from those contained in any forward-looking statement made by us or on our behalf. These factors include the ones discussed under *Risk Factors* in our SEC filings incorporated by reference. It is not possible to predict or identify all risk factors. Any forward-looking statements are made as of the date of the document in which they appear. We do not undertake to update any forward-looking statement that we may make from time to time.

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The following summary contains basic information about the notes. It does not contain all the information that is important to you. For a more complete understanding of the notes, please refer to the section of this prospectus supplement entitled "Description of Notes" and the section beginning on page 4 of the attached prospectus entitled "Description of Debt Securities".

Issuer	Kraft Foods Inc.
Securities Offered	\$ _____ aggregate principal amount of _____ % Notes due _____.
Maturity Date	
Interest Rate	The notes will bear interest from _____, 2008 at the rate of _____ % per annum.
Interest Payment Date	Interest on the notes is payable semiannually on _____ and _____ of each year, beginning on _____, 2008.
Long-Term Senior Unsecured Debt Ratings*	Moody's: Baa2 (stable outlook) Standard & Poor's: BBB+ (stable outlook) Fitch: BBB (stable outlook)
Ranking	The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our existing and future senior unsecured indebtedness.
Covenants	We will issue the notes under an indenture containing covenants that restrict our ability, with significant exceptions, to: <ul style="list-style-type: none"> _____ incur debt secured by liens; and _____ engage in sale/leaseback transactions.
Change of Control	Upon the occurrence of both (i) a change of control of Kraft and (ii) a downgrade of the notes below an investment grade rating by each of Moody's Investors Service, Inc., Standard & Poor's Ratings Services and Fitch Ratings within a specified period, Kraft will be required to make an offer to purchase the notes at a price equal to 101% of the aggregate principal amount of such notes, plus accrued and unpaid interest to the date of repurchase. See "Description of Notes - Change of Control".

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* Ratings are not a recommendation to purchase, hold or sell the notes, inasmuch as the ratings do not comment as to market price or suitability for a particular investor. The ratings are based on current information furnished to the rating agencies by us and information obtained by the rating agencies from other sources. The ratings are only accurate as of the date hereof and may be changed, superseded or withdrawn as a result of changes in, or unavailability of, such information, and, therefore, a prospective purchaser should check the current ratings before purchasing the notes.

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Redemption of Notes for Tax Reasons	We may redeem all, but not part, of the notes upon the occurrence of specified tax events described under Description of Notes Redemption for Tax Reasons .
Use of Proceeds	We intend to use the net proceeds (before expenses but after deducting the underwriting discount) of approximately \$ for general corporate purposes, including the repayment of borrowings under our 364-day bridge facility agreement used to finance our acquisition of the global biscuit business of Groupe Danone S.A. and other short-term borrowings. See Use of Proceeds in this prospectus supplement.
Clearance and Settlement	The notes will be cleared through The Depository Trust Company, including its participants Clearstream and Euroclear.
Governing Law	State of New York.

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ABOUT THE COMPANY

With revenues of approximately \$37 billion in 2007, Kraft Foods Inc. is one of the world's largest food and beverage companies. We have nine brands 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. We have more than 50 brands with revenues of at least \$100 million. We manage and report operating results through two commercial units, Kraft North America and Kraft International. Kraft North America operates in the United States and Canada, and we manage its operations by product category, while we manage Kraft International's operations by geographic region. We have operations in more than 70 countries and market our products in more than 150 countries.

Kraft's brands span five consumer sectors, as follows:

Snacks primarily cookies, crackers, salted snacks and chocolate confectionery;

Beverages primarily coffee, aseptic juice drinks and powdered beverages;

Cheese primarily natural, process and cream cheeses;

Grocery primarily ready-to-eat cereals, enhancers and desserts; and

Convenient Meals primarily frozen pizza, packaged dinners, lunch combinations and processed meats.

Our corporate headquarters are located at Kraft Foods Inc., Three Lakes Drive, Northfield, Illinois 60093, our telephone number is (847) 646-2000 and our website is www.kraft.com. The information contained in, or that can be accessed through, our website is not a part of this prospectus supplement or the attached prospectus.

RECENT DEVELOPMENTS

Post Distribution

On April 11, 2008, our wholly owned subsidiary, Cable Holdco, Inc., filed a preliminary registration statement on Form S-1/S-4 with the SEC related to our November 15, 2007 agreement to merge our *Post* cereals business into Ralcorp Holdings, Inc. (*Ralcorp*) after a tax-free distribution to our shareholders (the *Post* Distribution). This transaction is subject to customary closing conditions, including anti-trust approval, IRS tax-free ruling and Ralcorp shareholder approval. To date, we have obtained the IRS tax-free ruling, and both the U.S. and Canadian anti-trust approvals. We anticipate that this transaction will be completed in mid-2008.

The *Post* cereals business had net revenues of approximately \$270 million in the first quarter of 2008 and \$1.1 billion in 2007, and includes such cereals as *Honey Bunches of Oats*, *Pebbles*, *Shredded Wheat*, *Selects*, *Grape Nuts* and *Honeycomb*. The brands in this transaction are distributed primarily in North America. In addition to the *Post* brands, the transaction includes four manufacturing facilities and certain manufacturing equipment. We anticipate that approximately 1,230 of our employees will join Ralcorp following the consummation of the transaction.

Our shareholders will receive at least 30.3 million shares of Ralcorp stock after the *Post* Distribution and the subsequent merger of the *Post* cereals business with Ralcorp. Based on market conditions prior to closing, we will determine whether the shares will be distributed in a spin-off or a split-off transaction. Either type of transaction is expected to be tax-free to our U.S. shareholders. In a spin-off transaction, our shareholders would receive a pro rata number of Ralcorp shares. In a split-off transaction, our shareholders would have the option to exchange their Kraft shares and receive Ralcorp shares at closing, resulting in a reduction in the number of shares of our Class A common stock outstanding. In either type of transaction, Kraft will receive approximately \$960 million of cash-equivalent value, which will be used to repay debt.

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Our business is subject to uncertainties and risks. You should carefully consider and evaluate all of the information included and incorporated by reference in this prospectus supplement, including the risk factors incorporated by reference from our annual report on Form 10-K/A for the year ended December 31, 2007, as updated by our quarterly reports on Form 10-Q and other SEC filings filed after such annual report. It is possible that our business, financial condition, liquidity or results of operations could be adversely affected by any of these risks.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our historical ratios of earnings to fixed charges for the periods indicated. This information should be read in conjunction with the consolidated financial statements and the accompanying notes incorporated by reference in this prospectus supplement.

	Three Months Ended		Years Ended December 31,			
	March 31,		2006	2005	2004	2003
	2008	2007				
Ratios of earnings to fixed charges	3.4x	5.3x	6.4x	6.1x	5.8x	7.2x

Earnings available for fixed charges represent earnings before income taxes, minority interest and cumulative effect of accounting change and fixed charges excluding capitalized interest, net of amortization, reduced by undistributed earnings of our less than 50% owned affiliates. Fixed charges represent interest expense, amortization of debt discount and expenses, capitalized interest, plus that portion of rental expense deemed to be the equivalent of interest.

USE OF PROCEEDS

We will use the net proceeds from the sale of the offered securities (estimated at \$ before expenses but after deducting the underwriting discount) for general corporate purposes, including the repayment of borrowings under our 364-day bridge facility agreement used to finance our acquisition of the global biscuit business of Groupe Danone S.A. (our Danone Biscuit Bridge Facility) and other short-term borrowings. The Danone Biscuit Bridge Facility currently accrues interest at 4.621% per annum and matures on November 28, 2008. Certain of the underwriters in this offering or their affiliates are lenders under our Danone Biscuit Bridge Facility. See Underwriting .

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The following table sets forth our capitalization on a consolidated basis as of March 31, 2008. We have presented our capitalization:

on an actual basis; and

on an as adjusted basis to reflect:

the issuance of notes offered hereby; and

the use of net proceeds (before expenses but after deducting the underwriting discount) from the issuance of notes offered hereby to repay short-term borrowings.

You should read the following table along with our financial statements and the accompanying notes to those statements, together with management's discussion and analysis of financial condition and results of operations, that we have incorporated by reference in this prospectus supplement, and our summary historical financial data included in this prospectus supplement.

	As of March 31, 2008	
	Actual	As Adjusted
	(in millions)	
Short-term borrowings, including current maturities	\$ 5,244	\$
% Notes due		
Other long-term debt	17,428	17,428
Total debt	22,672	
Shareholders' equity:		
Common stock		
Additional paid-in capital	23,373	23,373
Retained earnings	12,389	12,389
Accumulated other comprehensive losses	(1,442)	(1,442)
Treasury stock, at cost	(7,054)	(7,054)
Total shareholders' equity	27,266	27,266
Total capitalization	\$ 49,938	\$

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The following table presents our summary historical financial data and has been derived from and should be read along with our financial statements and the accompanying notes to those statements and management's discussion and analysis of financial condition and results of operations, that we have incorporated by reference in this prospectus supplement. See "Where You Can Find More Information" in the attached prospectus.

	As of and for the Three Months Ended March 31, 2008		As of and for the Year Ended December 31,	
	2008	2007	2007	2006
	(In millions, except per share data)			
Summary of Operations:				
Net revenues	\$ 10,372	\$ 8,586	\$ 37,241	\$ 34,356
Cost of sales	6,891	5,535	24,651	21,940
Operating income	1,165	1,122	4,331	4,521
Interest and other debt expense, net	305	64	604	510
Earnings before income taxes	860	1,058	3,727	4,011
Pre-tax profit margin	8.3%	12.3%	10.0%	11.7%
Provision for income taxes	252	356	1,137	951
Net earnings	608	702	2,590	3,060
Basic EPS	0.40	0.43	1.64	1.86
Diluted EPS	0.40	0.43	1.62	1.85
Dividends declared per share	0.27	0.25	1.04	0.96
Weighted average shares (millions)-Basic	1,518	1,627	1,575	1,643
Weighted average shares (millions)-Diluted	1,534	1,636	1,594	1,655
Capital expenditures	271	180	1,241	1,169
Depreciation	241	218	873	884
Property, plant and equipment, net	11,311	9,624	10,778	9,693
Inventories	4,667	3,881	4,096	3,506
Total assets	70,026	55,814	67,993	55,574
Short-term borrowings, including current maturities	5,244	3,910	8,107	3,740
Long-term debt	17,428	7,081	12,902	7,081
Total debt	22,672	10,991	21,009	10,821
Total liabilities	42,760	27,085	40,698	27,019
Shareholders' equity	27,266	28,729	27,295	28,555

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The following description of the particular terms of the notes, which we refer to as the notes, supplements the description of the general terms and provisions of the debt securities set forth under Description of Debt Securities beginning on page 4 of the attached prospectus. The attached prospectus contains a detailed summary of additional provisions of the notes and of the indenture, dated as of October 17, 2001, between Kraft Foods Inc. and Deutsche Bank Trust Company Americas (as successor to The Bank of New York and The Chase Manhattan Bank), as trustee, under which the notes will be issued. To the extent of any inconsistency, the following description replaces the description of the debt securities in the attached prospectus. Terms used in this prospectus supplement that are otherwise not defined will have the meanings given to them in the attached prospectus.

Certain Terms of the % Notes due

The % notes due are a series of debt securities described in the attached prospectus, which will be senior debt securities, will be initially issued in the aggregate principal amount of \$ and will mature on .

The % notes due will bear interest at the rate of % per annum from , 2008, payable semiannually in arrears on and of each year, beginning on , 2008 to the persons in whose names the notes are registered at the close of business on the preceding or , each a record date, as the case may be. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

General

In some circumstances, we may elect to discharge our obligations on the notes through full defeasance or covenant defeasance. See Description of Debt Securities Defeasance beginning on page 13 of the attached prospectus for more information about how we may do this.

We may, without the consent of the holders of the notes, issue additional notes having the same ranking and the same interest rate, maturity and other terms as the notes (except for the issue date, issue price, and, in some cases, the first payment of interest or interest accruing prior to the issue date of such additional notes). Any additional notes having such similar terms, together with the applicable notes, will constitute a single series of notes under the indenture. No additional notes may be issued if an event of default has occurred with respect to the applicable series of notes.

The notes will not be entitled to any sinking fund.

Change of Control

If a Change of Control Triggering Event occurs, unless we have exercised our right to redeem the notes upon the occurrence of specified events involving United States taxation as described below under Redemption for Tax Reasons, holders of notes will have the right to require us to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of their notes pursuant to the offer described below (the Change of Control Offer) on the terms set forth in the notes. In the Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased, to the date of purchase (the Change of Control Payment). Within 30 days

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following any Change of Control Triggering Event, we will be required to mail a notice to holders of notes describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the Change of Control Payment Date), pursuant to the procedures required by the notes and described in such notice. We must comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act) and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the notes, we will be required to comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control provisions of the notes by virtue of such conflicts.

On the Change of Control Payment Date, we will be required, to the extent lawful, to:

accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;

deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and

deliver or cause to be delivered to the trustee the notes properly accepted together with an officers certificate stating the aggregate principal amount of notes or portions of notes being purchased.

The paying agent will promptly mail to each holder of notes properly tendered the purchase price for the notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new note equal in principal amount to any unpurchased portion of any notes surrendered; *provided* that each new note will be in a principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof.

We will not be required to make an offer to repurchase the notes upon a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all notes properly tendered and not withdrawn under its offer.

For purposes of the foregoing discussion of a repurchase at the option of holders, the following definitions are applicable:

Below Investment Grade Rating Event means the notes are rated below an Investment Grade Rating by each of the Rating Agencies (as defined below) on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of the Change of Control (which 60-day period shall be extended so long as the rating of the notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies); *provided* that a below investment grade rating event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect to a particular Change of Control (and thus shall not be deemed a below investment grade rating event for purposes of the definition of Change of Control Triggering Event hereunder) if the rating agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the below investment grade rating event).

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Change of Control means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Kraft and its subsidiaries taken as a whole to any Person or group of related persons for purposes of Section 13(d) of the Exchange Act (a Group) other than Kraft or one of its subsidiaries; (2) the approval by the holders of Kraft's common stock of any plan or proposal for the liquidation or dissolution of Kraft (whether or not otherwise in compliance with the provisions of the indenture); (3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any Person or Group becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares of Kraft's voting stock; or (4) the first day on which a majority of the members of Kraft's Board of Directors are not Continuing Directors.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the properties or assets of Kraft and its subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require Kraft to repurchase its notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of Kraft and its subsidiaries taken as a whole to another Person or Group may be uncertain.

Change of Control Triggering Event means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

Continuing Directors means, as of any date of determination, any member of the Board of Directors of Kraft who (1) was a member of such Board of Directors on the date of the issuance of the notes; or (2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election (either by a specific vote or by approval of Kraft's proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

Fitch means Fitch Ratings.

Investment Grade Rating means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, respectively.

Moody's means Moody's Investors Service, Inc.

Person has the meaning set forth in the indenture and includes a person as used in Section 13(d)(3) of the Exchange Act.

Rating Agencies means (1) each of Fitch, Moody's and S&P; and (2) if any of Fitch, Moody's or S&P ceases to rate the notes or fails to make a rating of the notes publicly available for reasons outside of our control, a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act, selected by us (as certified by a resolution of our Board of Directors) as a replacement agency for Fitch, Moody's or S&P, or all of them, as the case may be.

S&P means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

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Book-Entry Notes

The notes will be offered and sold in principal amounts of \$2,000 and integral multiples of \$1,000 in excess thereof. We will issue the notes in the form of one or more permanent global notes in fully registered, book-entry form, which we refer to as the global notes. Each such global note will be deposited with, or on behalf of, The Depository Trust Company (DTC) or any successor thereto, as depositary (the Depositary), and registered in the name of Cede & Co. (DTC's partnership nominee). Unless and until it is exchanged in whole or in part for notes in definitive form, no global note may be transferred except as a whole by the Depositary to a nominee of such Depositary. Investors may elect to hold interests in the global notes through either the Depositary (in the United States) or through Clearstream Banking, Societe Anonyme, Luxembourg (Clearstream) or Euroclear Bank S.A./N.V., as operator of the EuroclearSystem (Euroclear), if they are participants in such systems, or indirectly through organizations that are participants in such systems.

Clearstream and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositaries, which in turn will hold such interests in customers' securities accounts in the depositaries' names on the books of DTC. Citibank, N.A. will act as depositary for Clearstream and JPMorgan Chase Bank, N.A. will act as depositary for Euroclear (in such capacities, the U.S. Depositaries).

DTC has advised us that:

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provision of Section 17A of the Exchange Act;

DTC holds securities that its participants (Direct Participants) deposit with DTC and facilitates settlement of securities transactions among its Direct Participants, such as transfers and pledges in deposited securities, through electronic computerized book-entry changes in accounts of the Direct Participants, thereby eliminating the need for physical movement of securities certificates;

Direct Participants in DTC include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations;