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KRAFT FOODS-MASON CITY ANNOUNCES MAJOR EXPANSION
New Warehouse to be Added to Manufacturing Facility

MASON CITY, IA – March 28, 2003 – Kraft Foods-Mason City today announced plans for the construction of a new 108,000-square-foot warehouse adjacent to its manufacturing facility on 12th Street.

The new refrigerated warehouse facility, located east of the existing Kraft plant, will be built by Dean Snyder Construction, owned and operated by McMahon Development group LLC, and leased by Kraft. It will help the company meet its expanding needs for efficient distribution of finished products and adequate storage of packaging and raw materials. Groundbreaking is expected in April 2003, with completion scheduled for November 2003. The long-term investment value of the project is estimated at \$10 million.

“We’ve forged a strong partnership with Mason City, due in large part to the dedication and commitment of our Mason City employees, and the city’s strategic focus on economic growth,” said John Michel, plant manager, Kraft Foods-Mason City.

Kraft Foods-Mason City adds more than \$22.5 million to the local economy each year in payroll, taxes, utilities, goods and services. In addition, Kraft has spent in excess of \$13.0 million in capital expenditures for expansion and improvements during the last three years.

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Kraft also participates in the community in other ways. “Beyond Kraft’s economic impact in the Mason City economy, we’ve supported many Mason City area nonprofit organizations through the Kraft Contributions Program and employee volunteerism, helping to ensure the availability of critical services to area residents,” Michel noted. “We are proud to be a part of Mason City. And thanks to its significant commitment to business growth, we’re delighted to have the chance to bring additional investment to this terrific community.”

Kraft Foods-Mason City produces *Jell-O* ready-to-eat refrigerated snacks, *Kraft Handi-Snacks* pudding and refrigerated snacks for use in *Oscar Mayer Lunchables* lunch combinations.

Kraft foods markets many of the world’s leading food brands, including *Kraft* cheese, *Maxwell House* and *Jacobs* coffees, *Nabisco* cookies and crackers, *Philadelphia* cream cheese, *Oscar Mayer* meats, *Post* cereals and *Milka* chocolates, in more than 150 countries.

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