PHILIP MORRIS
INTERNATIONAL

A Compelling Investment

New York

March 11, 2008

Agenda

1. **Louis Camilleri:**
   - Board and management team
   - Track record
   - PMI goals and growth targets

2. **André Calantzopoulos**
   - PMI strengths and strategies
   - Brand portfolio
   - Regulatory and fiscal
   - Research & Development

3. **Hermann Waldemer**
   - Productivity initiatives
   - Financial strategy
   - Shareholder returns

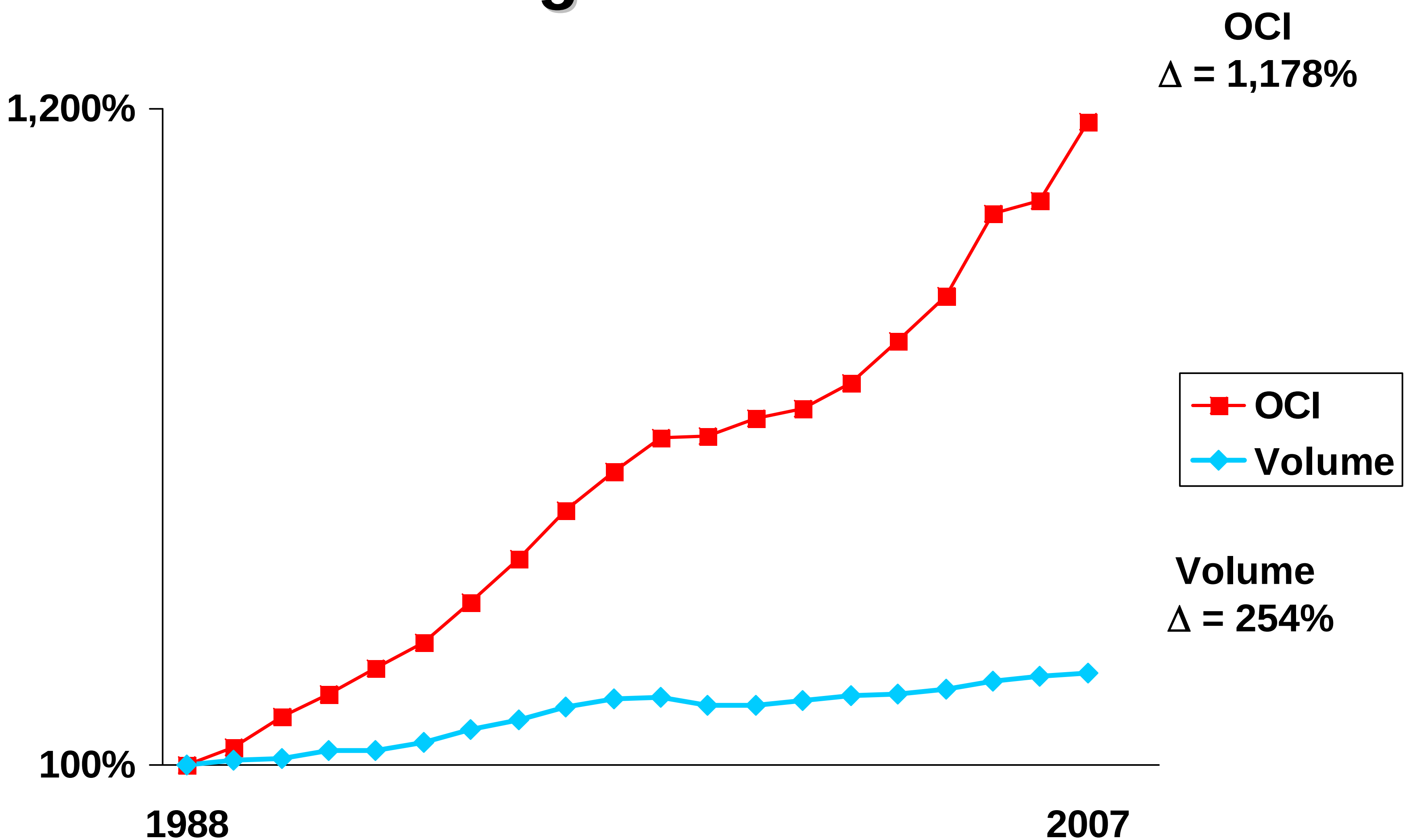
Board of Directors

- **Five current Altria Board members:**
  - **Dr. Harold Brown (joined 1983)**
  - **Mathis Cabiallavetta (joined 2002)**
  - **J. Dudley Fishburn (joined 1999)**
  - **Lucio A. Noto (joined 1998)**
  - **Stephen M. Wolf (joined 1993)**
- **Three new members:**
  - **Graham Mackay, Chief Executive SABMiller**
  - **Sergio Marchionne, Chief Executive Officer Fiat Group**
  - **Carlos Slim Helú (Altria Board member 1997-2006)**

Management Team

- **Louis C. Camilleri** — Chairman & Chief Executive Officer
  - **Hermann Waldemer** — Chief Financial Officer
  - **Even Hurwitz** — Senior Vice President, Corporate Affairs
  - **André Calantzopoulos** — Chief Operating Officer
    - **Doug Dean** — Senior Vice President, Research & Development
    - **Paolo Degola** — President, EU
    - **Ping Hu** — MD PMI China, Strategic Cooperation
    - **Jean-Claude Kunz** — President, EEMA & PMI Duty Free
    - **Simon Langelier** — President Next Generation Products & Adjacent Business
    - **Matteo Pellegrini** — President, Asia
    - **Salvador Rivera** — Senior Vice President, Operations
    - **Miroslaw Zielinski** — President, Latin America
    - **James Scully** — Senior Vice President, Brand Building
  - **Charles Wall** — Vice Chairman
  - **Daniel Regorda** — Senior Vice President, Human Resources

Strong Track Record



Source: PMI Financials

Strong Performance 2003-07

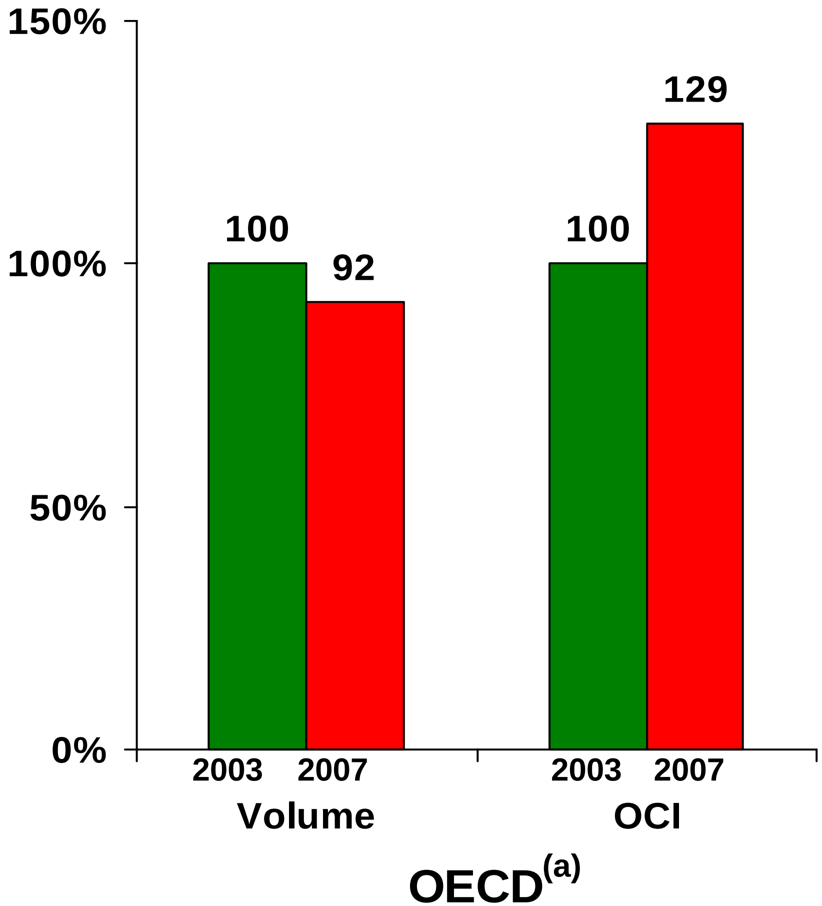
(bio)	2003	2007	Variance	CAGR
Volume	736	850	114	3.7%
Net Revenues[(a)]	$16.0	$22.8	$6.8	9.3%
Operating Income	$6.2	$8.9	$2.7	9.5%
Net Earnings	$4.0	$6.0	$2.0	10.7%

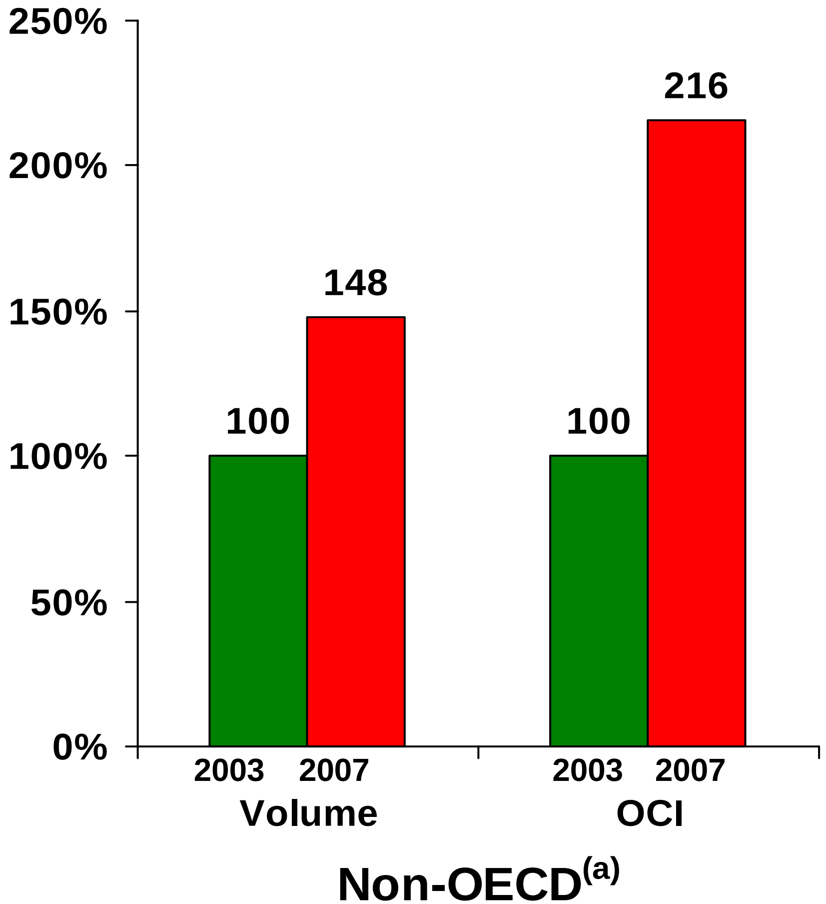
(a) Excluding excise taxes
Source: PMI Financials

Profitability Drivers

- **Strong income performance driven by:**
  - **Pricing**
  - **Currency**
  - **Acquisitions**
- **Partly offset by:**
  - **Volume/mix**
  - **Investments in sales, marketing and R&D**

Volume & OCI Performance 2003-2007

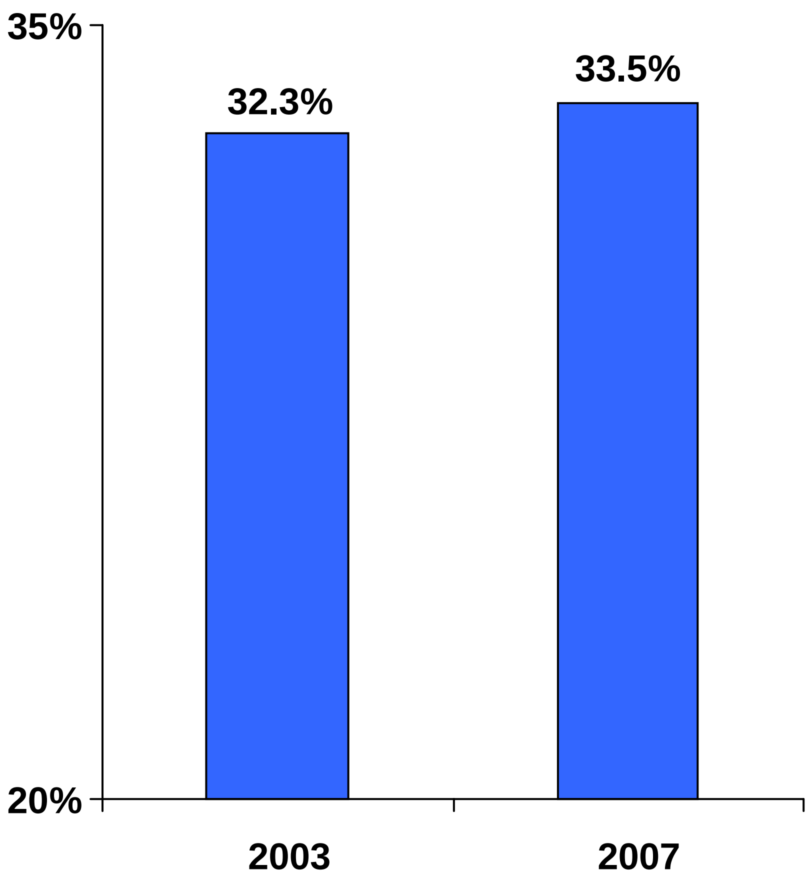




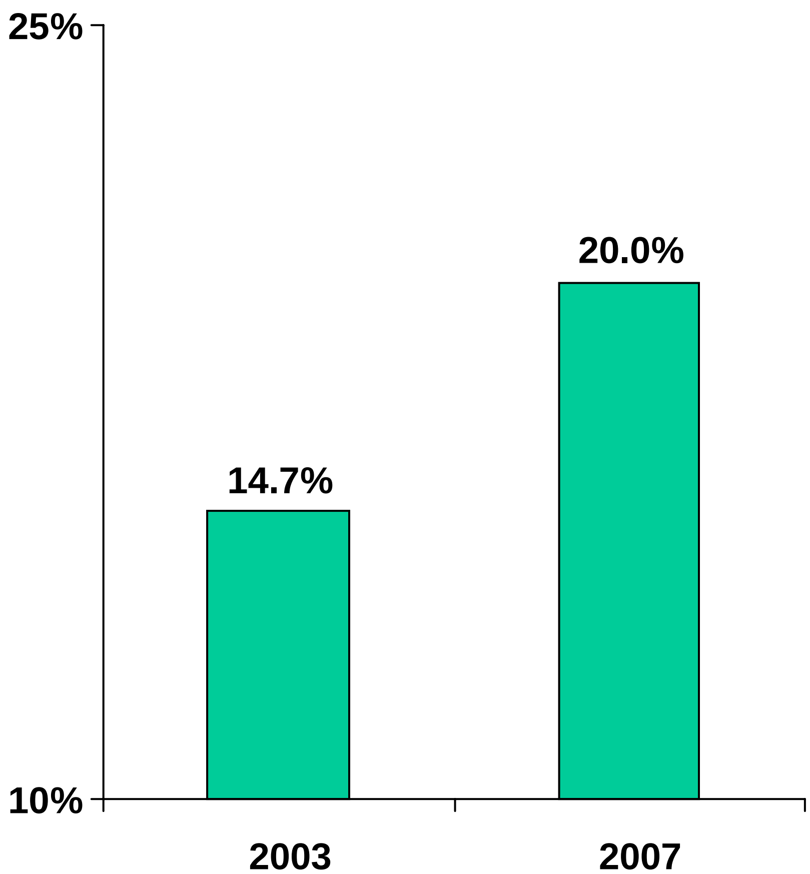
(a) Excluding PRC and duty-free

Source: PMI Financials

Share Growth OECD / non-OECD



PMI Share of OECD Markets[(a)]

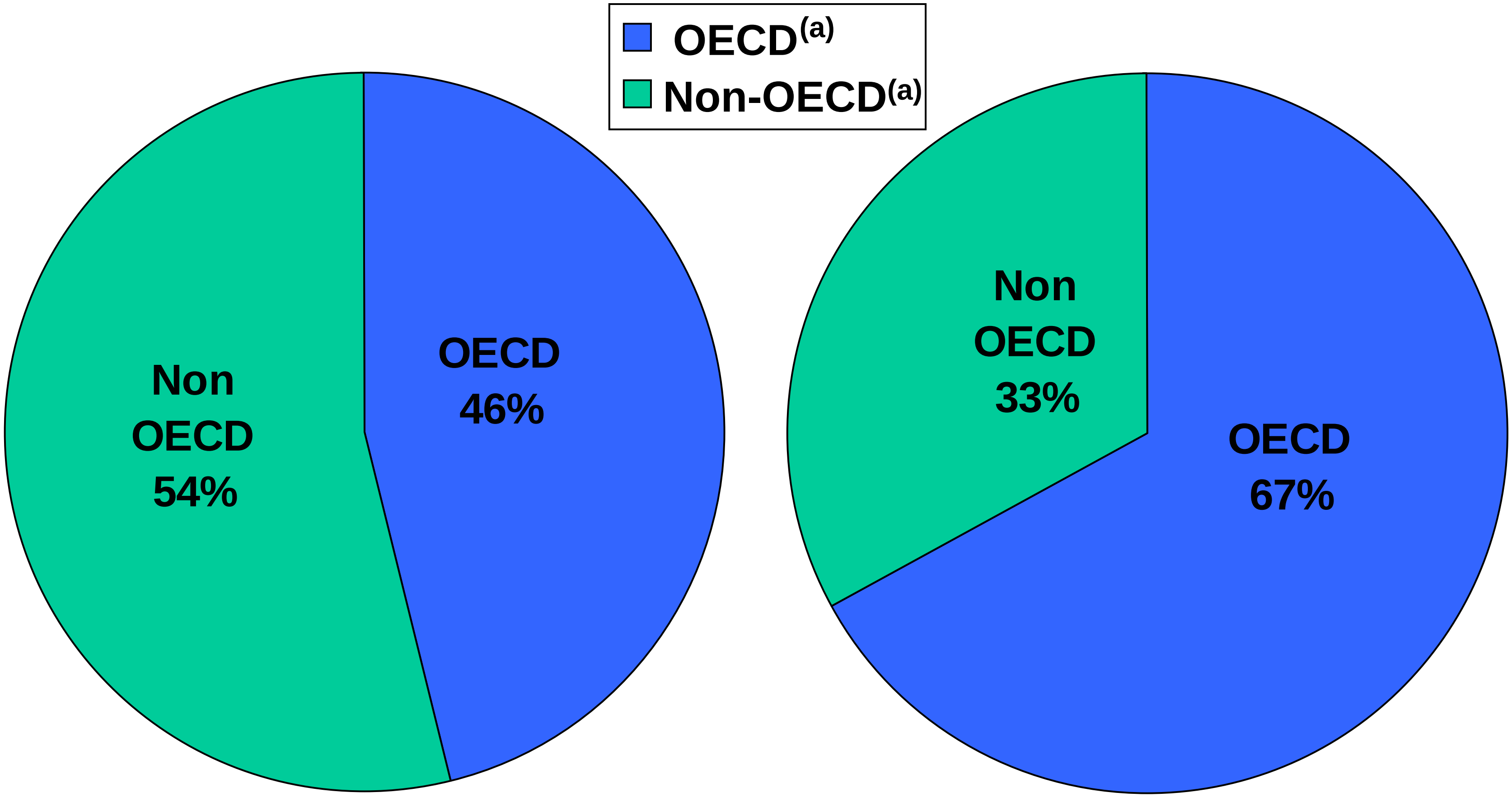


PMI Share of non-OECD Markets[(a)]

(a) Excluding PRC and duty-free

Source: PMI Global In-market Sales System ("GIMS")

Geographic Balance

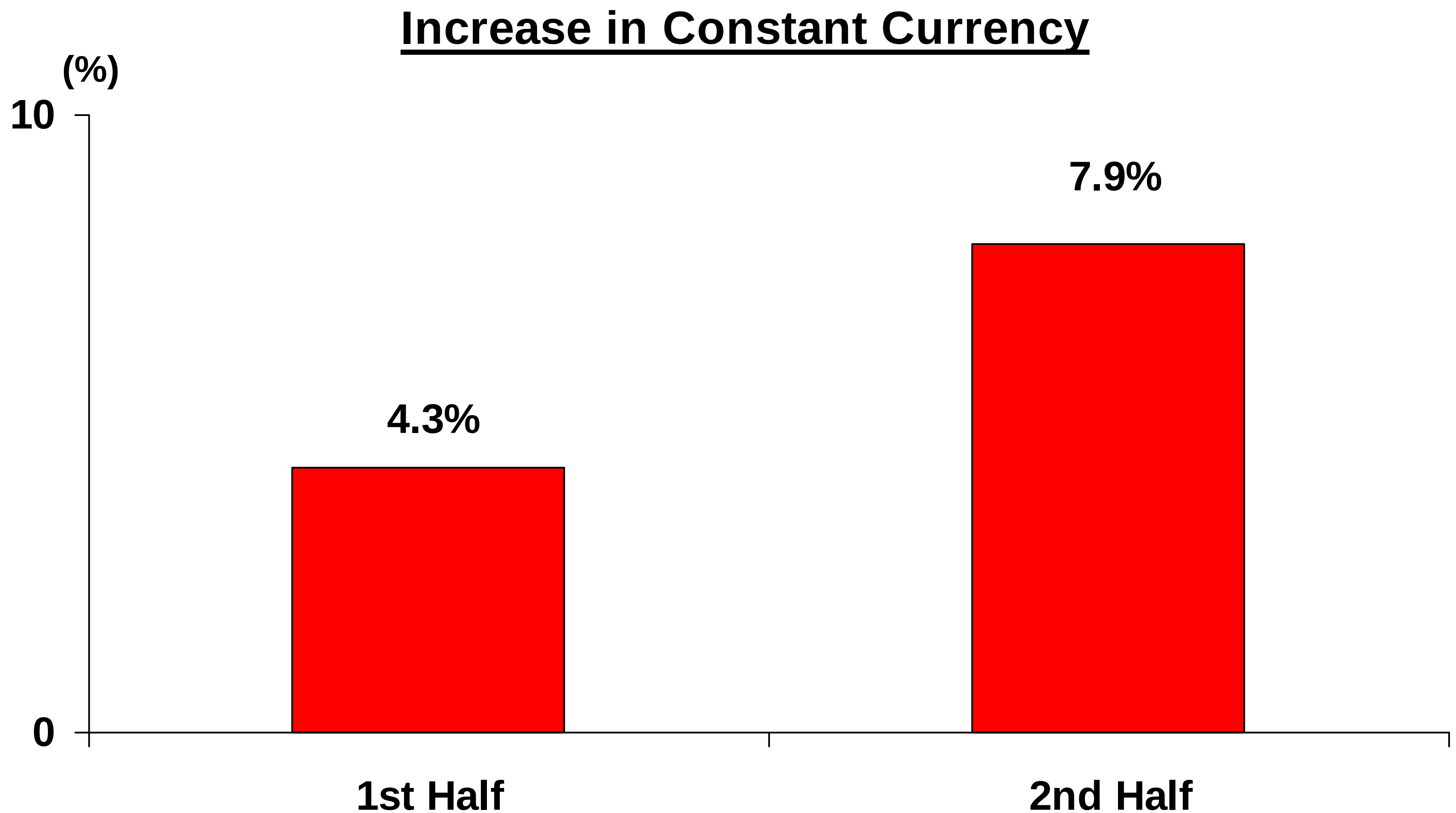


2007 Volume **2007 OCI**

(a) Excluding PRC and duty-free

Source: PMI Financials

2007 OCI Performance



Source: PMI Financials
A reconciliation of reported OCI to adjusted OCI will be included in slides posted to www.altria.com

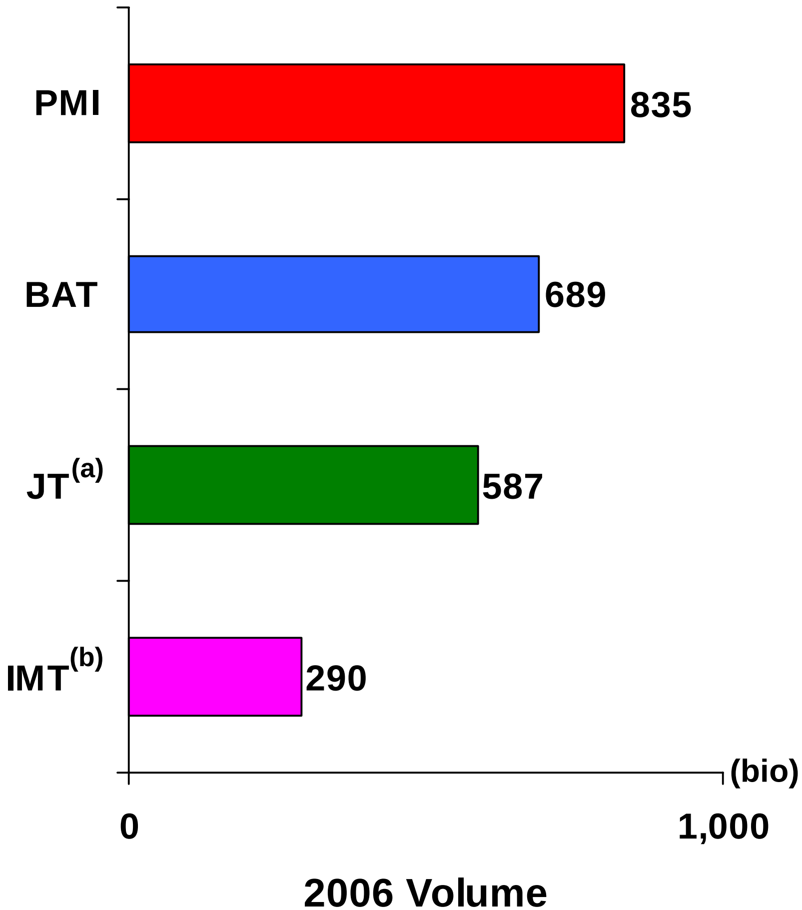
What PMI Offers Investors

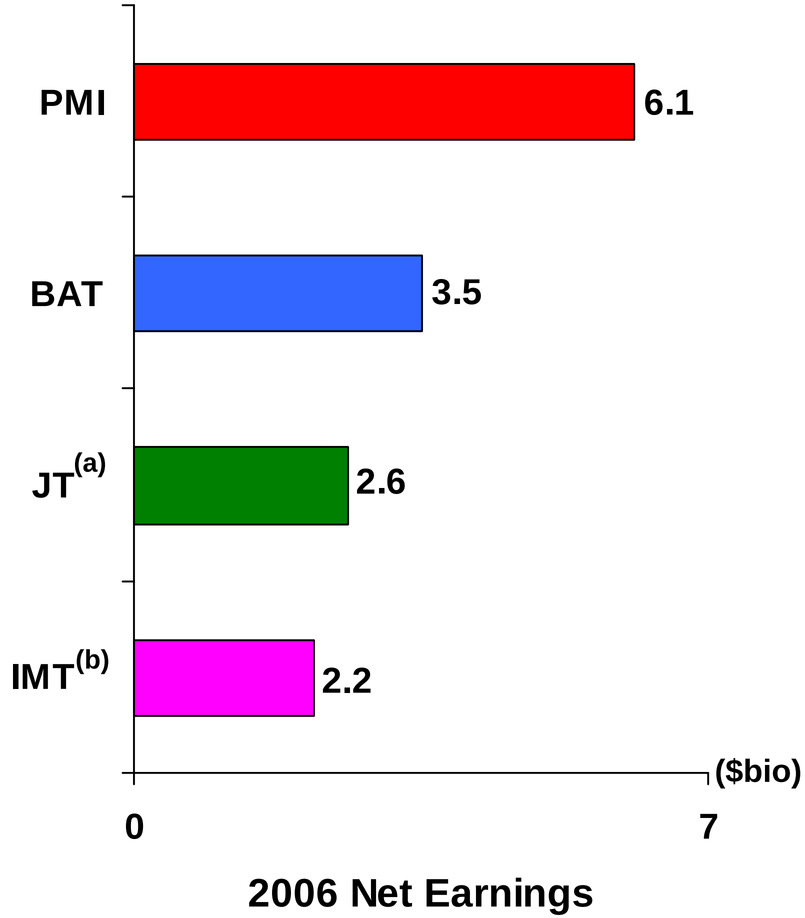
- Global leadership and scale
- Excellent geographic balance
- Powerful brand portfolio, led by *Marlboro*
- Ability to grow profitability through pricing, market penetration, business development and productivity gains
- Tremendous cash flows
- World class R&D capabilities
- Significant returns to shareholders
- Depth of management talent

Improved Organizational Effectiveness

- Consumer driven and disciplined innovation process
- Decision power and resources shifted to the markets
- Internal processes simplified and centralized
- New brand architectures developed
- Field forces restructured
- Focus on direct consumer work
- Increased speed to market
- Organization ready to operate independently
- Enhanced creativity, anticipation, speed, marketing effectiveness and higher productivity

PMI vs. Competition (2006)





(a) Assumes JT's acquisition of Gallaher effective January 1, 2006
(b) Assumes Imperial's acquisition of Altadis effective January 1, 2006
Source: For volumes, company annual reports. BAT, JT and Altadis net earnings from Fortune Global 500; Gallaher and Imperial net earnings from their respective company reports. PMI from Financials.

Estimated Market Shares (2007)

(%)	EU	EEMA[a]	Asia[b]	Latin America
PMI	39	22	18	30
BAT	16	20	15	53
Japan Tobacco[c]	15	22	17	3
Imperial[c]	21	10	2	-

(a) Excluding duty-free
(b) Excluding the PRC
(c) Assumes JT's acquisition of Gallaher and Imperial's acquisition of Altadis were effective as of January 1, 2007

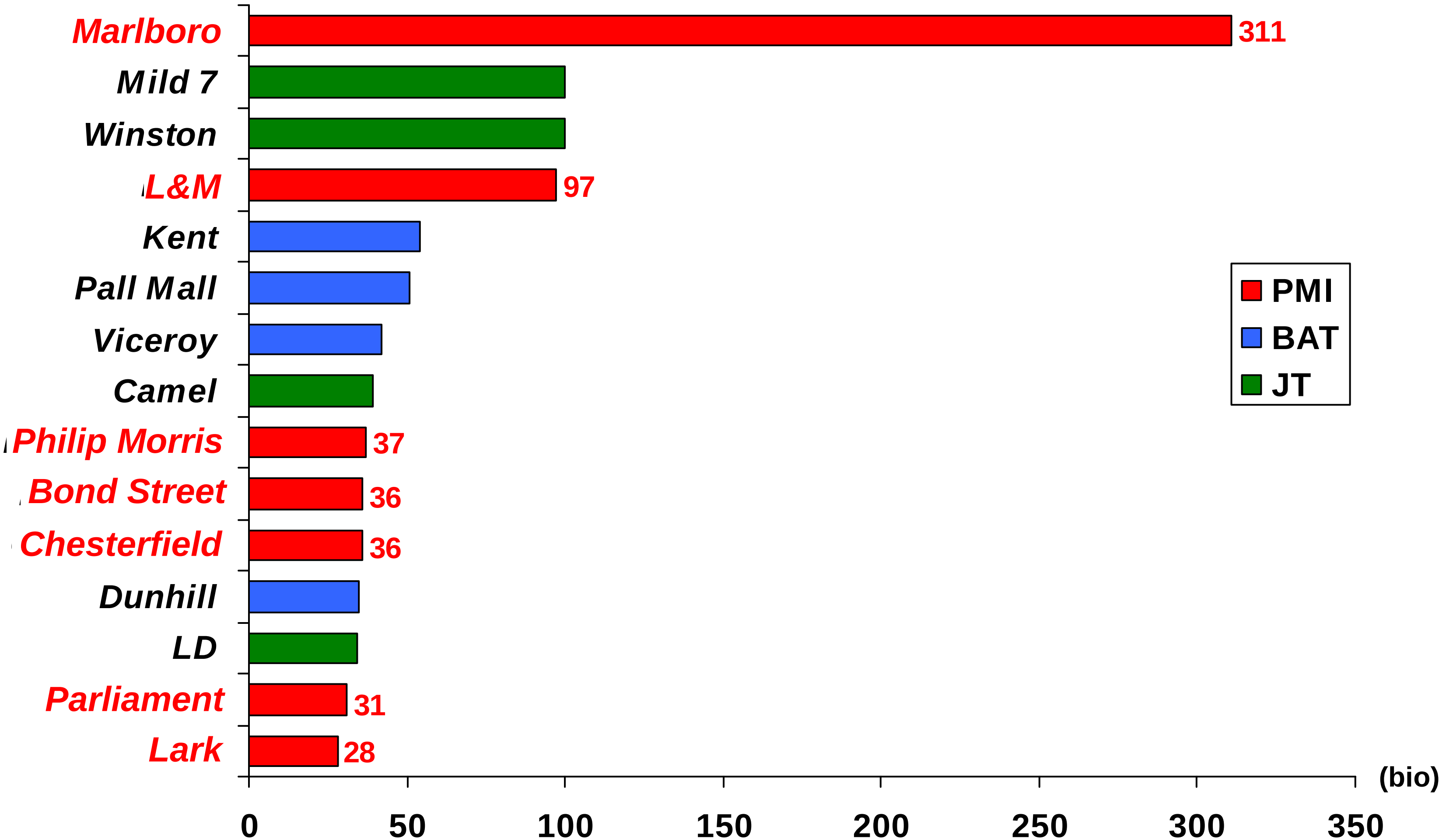
Source: PMI data from GIMS. BAT data derived from 2007 company report. JT and Imperial data derived from 2006 company reports using PMI estimates of 2007 evolution.

PMI in Largest 30 Markets by Volume

#1 (11)		#2 (8)	
Argentina	Kazakhstan	Brazil	Philippines
France	Mexico	Egypt	Russia
Germany	Poland	Japan	Spain
Greece	Turkey	Pakistan	Thailand
Indonesia	Ukraine		
Italy			

Source: PMI GIMS

Top 15 International Brands



Source: 2007 competitive data derived by PMI from 2006 company reports using PMI estimates of 2007 evolution. Competitive data for BAT Global Drive Brands from 2007 company report. PMI data from financials.

Advantages of Global Scale Leadership

- Comprehensive understanding of consumer trends
- Efficient distribution and sales
- Economies of scale
- Marketing power
- Superior platform for geographic expansion
- Flexible resource deployment
- Tremendous operating cash flows

Strategies for Growth

- Drive growth of our leading brand portfolio through enhanced consumer understanding and innovation
- Expand geographically
- Reinforce our position in profitable consumer segments
- Pursue opportunities for margin improvement
- Obtain a fair and reasonable regulatory and fiscal environment
- Boost organizational effectiveness and generate productivity savings
- Attract, motivate and retain the best global talent
- Effectively utilize our strong and growing cash flow to increase shareholder returns

Portfolio Opportunities – Price Segments

	PMI 2007 Segment Shares		
(%)	Total[a]	OECD[a]	NON-OECD[a]
Premium[b]	52	56	49
Mid	22	22	21
Low	12	21	9

Reference: PMI International Market Share excl. PRC: 25.2%

(a) Excluding PRC and duty-free
(b) Including above premium
Source: PMI GIMS

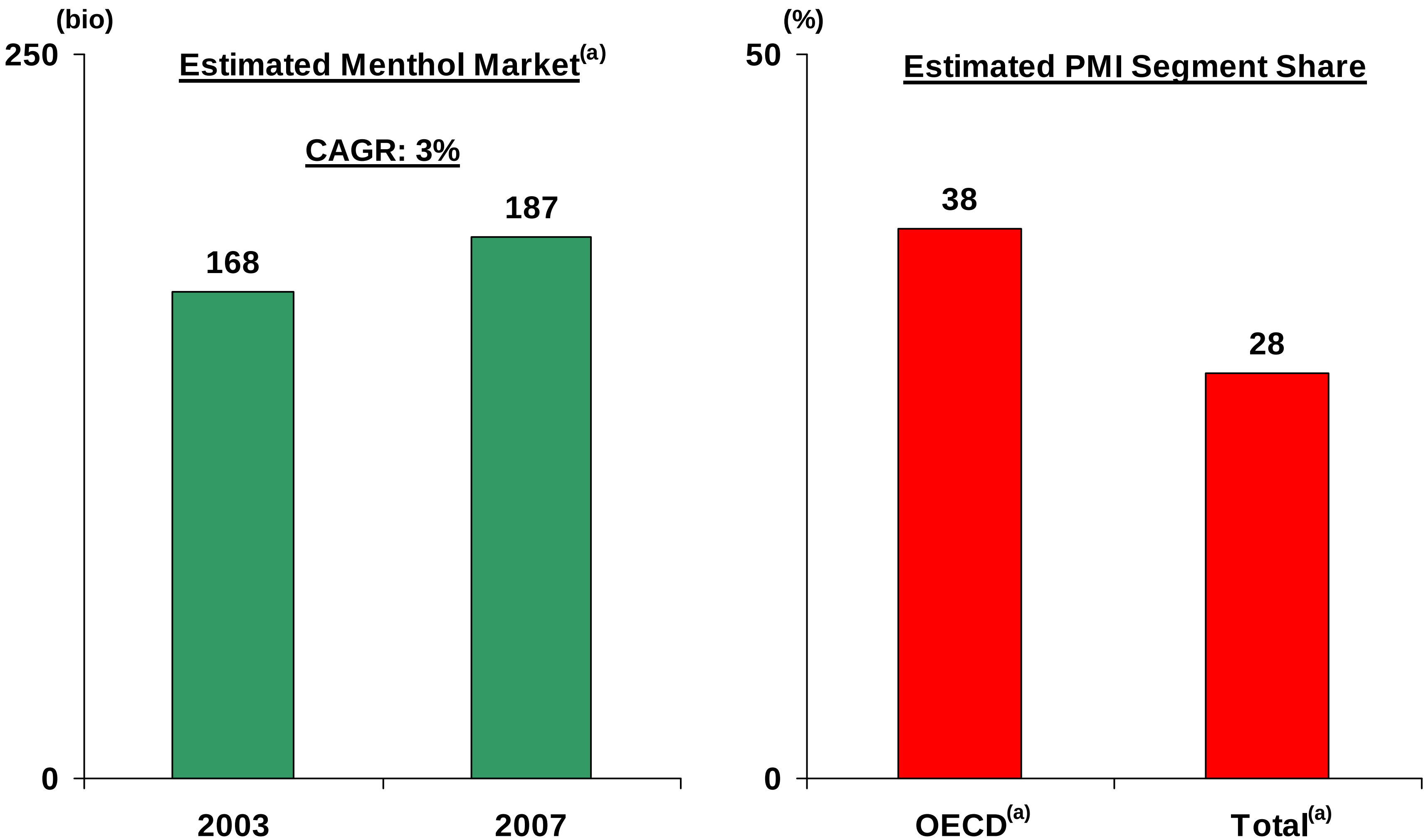
Portfolio Opportunities – Flavor Segments

	PMI 2007 Segment Shares		
(%)	Total[a]	OECD	NON-OECD[a]
Full Flavor	22	36	16
Lights	33	37	30
Super Lights[b]	19	19	20

Reference: PMI International Market Share excl. PRC: 25.2%

(a) Excluding PRC and duty-free
(b) Including "ultra lights"
Source: PMI GIMS

Portfolio Opportunities – Menthol



(a) Excluding PRC and duty-free
Source: PMI GIMS

Portfolio Opportunities – Slims

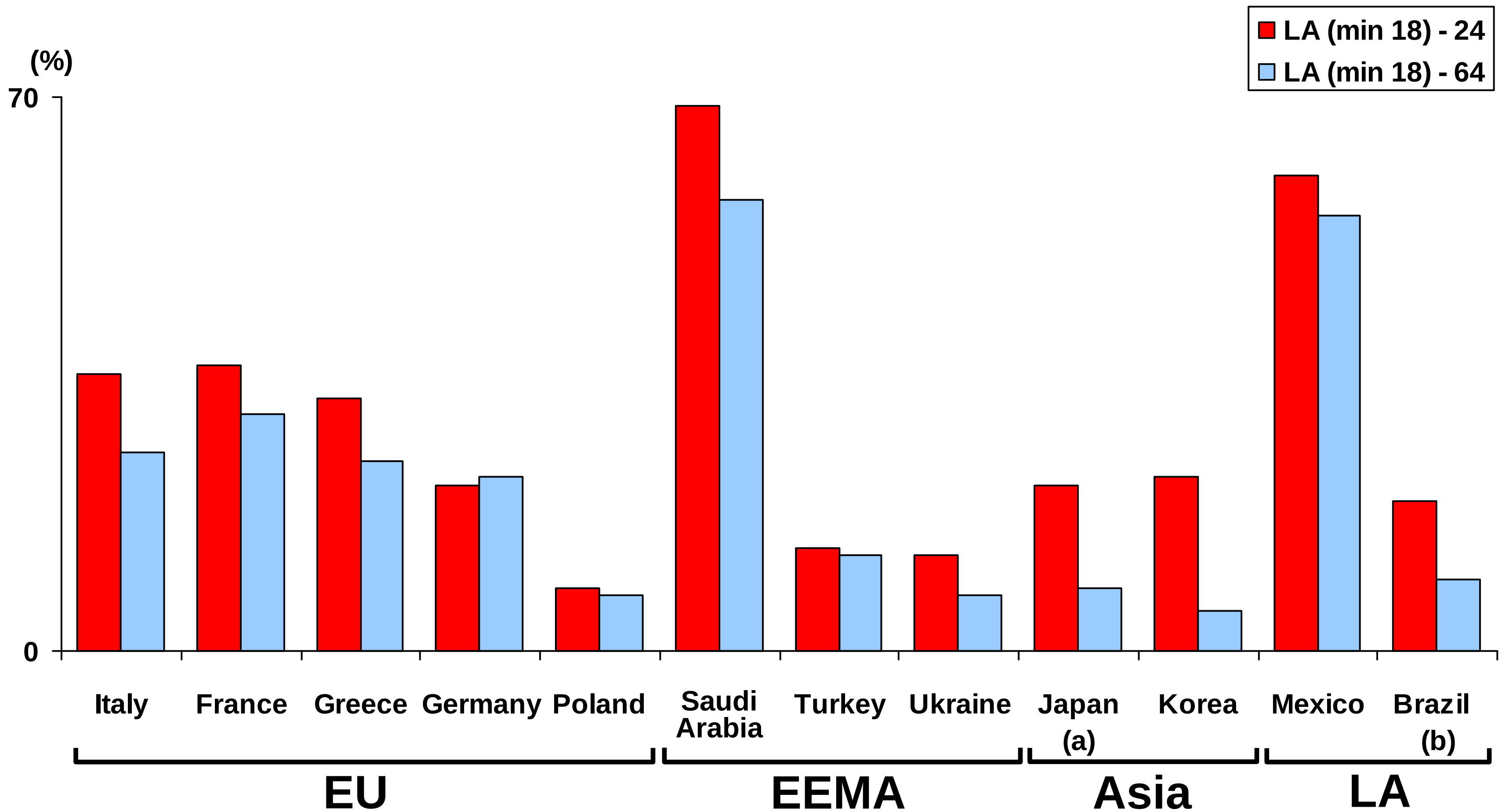
(%)	Slims Share of Market[a] 2003	2007	Variance
Korea	34	38	4 pp
Poland	5	11	6
Russia	2	9	7
Ukraine	2[b]	7	5
Japan	5	6	1

(a) Including extra and super slims
(b) 2004
Source: PMI GIMS

Marlboro World Leadership

- It is the number one global brand
- It is highly respected and credible
- It stands for excellent quality and prestige
- It delivers on its flavor promise
- It remains an aspirational brand
- It has an excellent demographic profile

2007 *Marlboro* Smoker Profiles



(a) Data for Q4 based on new research methodology

(b) Research carried out in key regions, representing approximately 64% of total market

Source: PMI General Consumer Tracking Survey for 2007

Marlboro Volume Performance 2003-07

- ***Marlboro*** **volume declined from 320 to 311 billion units, a rate of decline of 0.7% per year**
- **Excluding Germany, *Marlboro* volume increased by 9 billion units, at a rate of 0.8% a year**
- **Strong performance in emerging markets**
- **Marlboro Gold performance affected by parent's rich flavor perception**
- ***Marlboro*** **outscores competitive brands on virtually all image attributes**

Source: PMI Financials

Marlboro Strategy

- **New brand architecture with differentiated identities**
- ***Marlboro* Red will continue to be anchored on its unique rich flavor**
- ***Marlboro* Gold will become the brand that explores new dimensions in smoking**
- ***Marlboro* Green will be the brand that provides refreshing sensations**
- **Packaging upgrades, line extensions, effective consumer communications and continued quality improvements**

Marlboro Wides

- Shorter and wider
- Provides a smoother smoking experience
- Innovative “lighter” pack
- New variants in 2008

Marlboro Intense

- A rich, flavorful, shorter cigarette
- Positive test in Turkey
- Multi-market roll-out in 2008

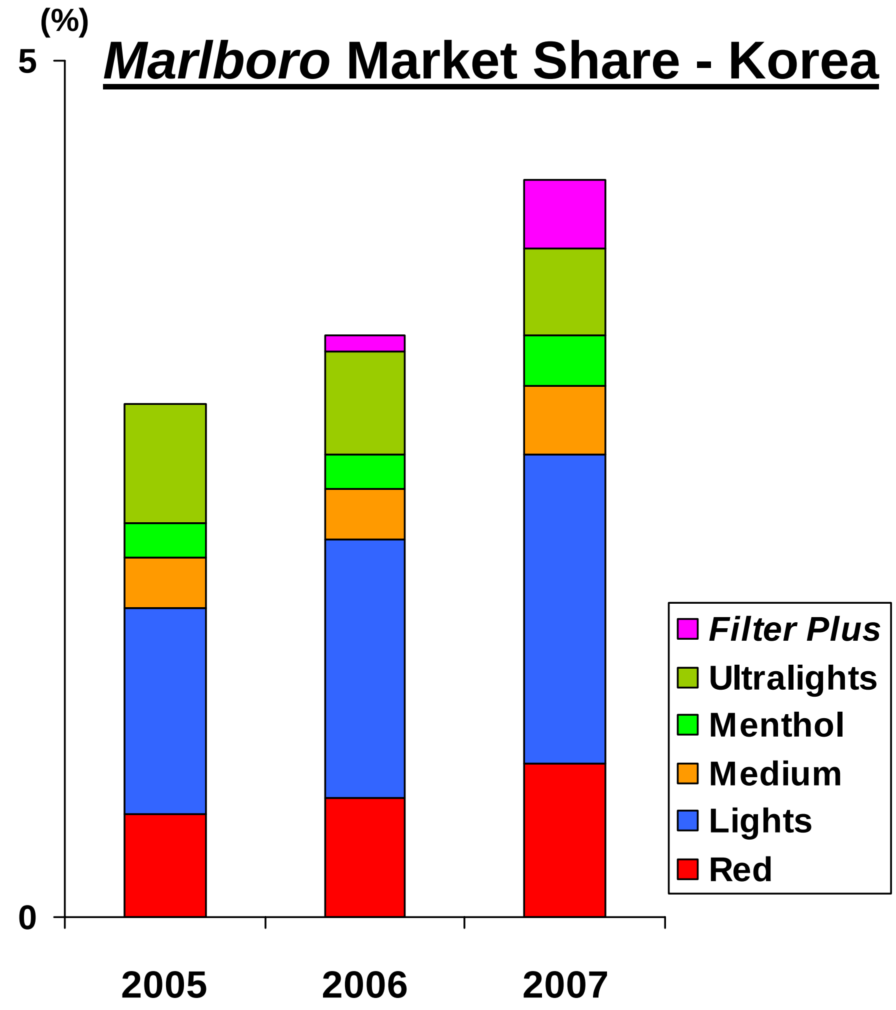
Marlboro Kretek

- ***Marlboro* Kretek (*Mix 9*), launched in Indonesia in June**
- **Local taste premium product to leverage high awareness and prestige of *Marlboro***
- **Regional share in Q4 up to 0.9%**
- ***Marlboro* franchise growth accelerating**

Source: AC Nielsen

Marlboro Filter Plus

- **Unique four chamber filter including tobacco plug**
- **Innovative slide pack**
- **Flavorful alternative that builds on *Marlboro* heritage**
- **Generally sold at a premium**

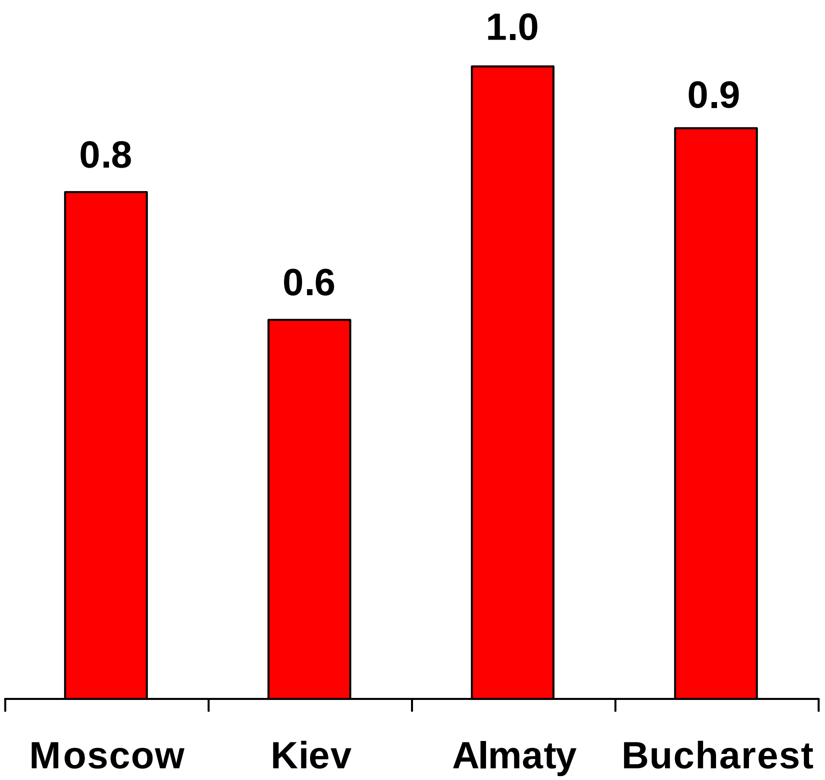


Source: AC Nielsen

Marlboro Filter Plus

- Expanded into seven more markets focusing on key cities
- Very positive initial results
- Enhancing *Marlboro*'s brand image and personality
- Gradual expansion of distribution in existing markets
- Roll-out to additional countries

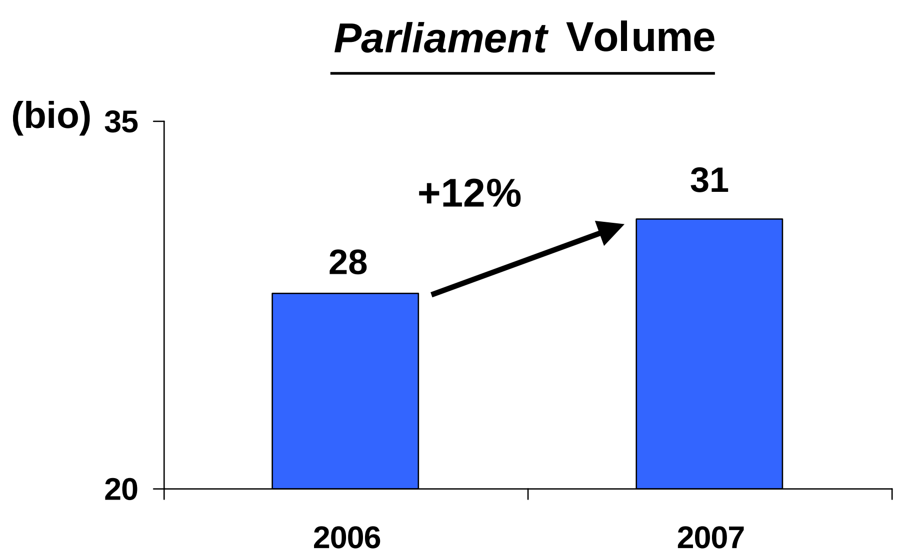
Marlboro Filter Plus Monthly Share in Key EEMA Cities[(a)]



(a) Monthly shares for November or December 2007
Source: AC Nielsen, Business Analytica

Parliament

- Prestige brand
- Elegant packaging
- Unique recessed filter
- Key growth markets are Korea, Russia, Turkey and Ukraine



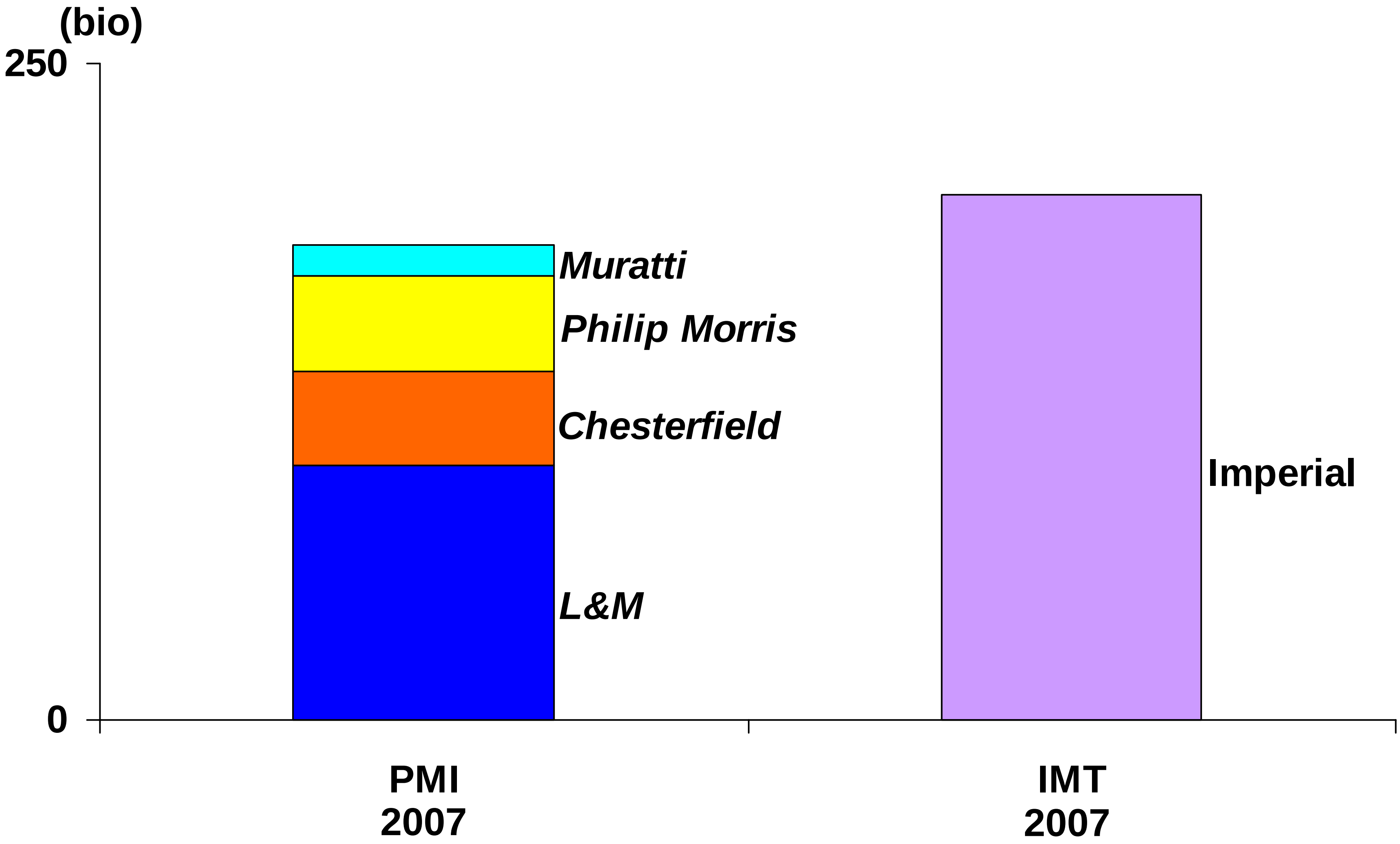
Source: PMI Financials

Virginia Slims

- ***Virginia Slims*** **volume up 2% in 2007**
- **Virginia Slims Noire achieved 0.4% share in Japan in Q4**
- **Unique *Virginia Slims Uno* designer pack promoting image and driving growth**
- **Geographic expansion**

Source: PMI Financials and GIMS

PMI Key Mid-Price Brands



Source: PMI Financials and Imperial company report

L&M

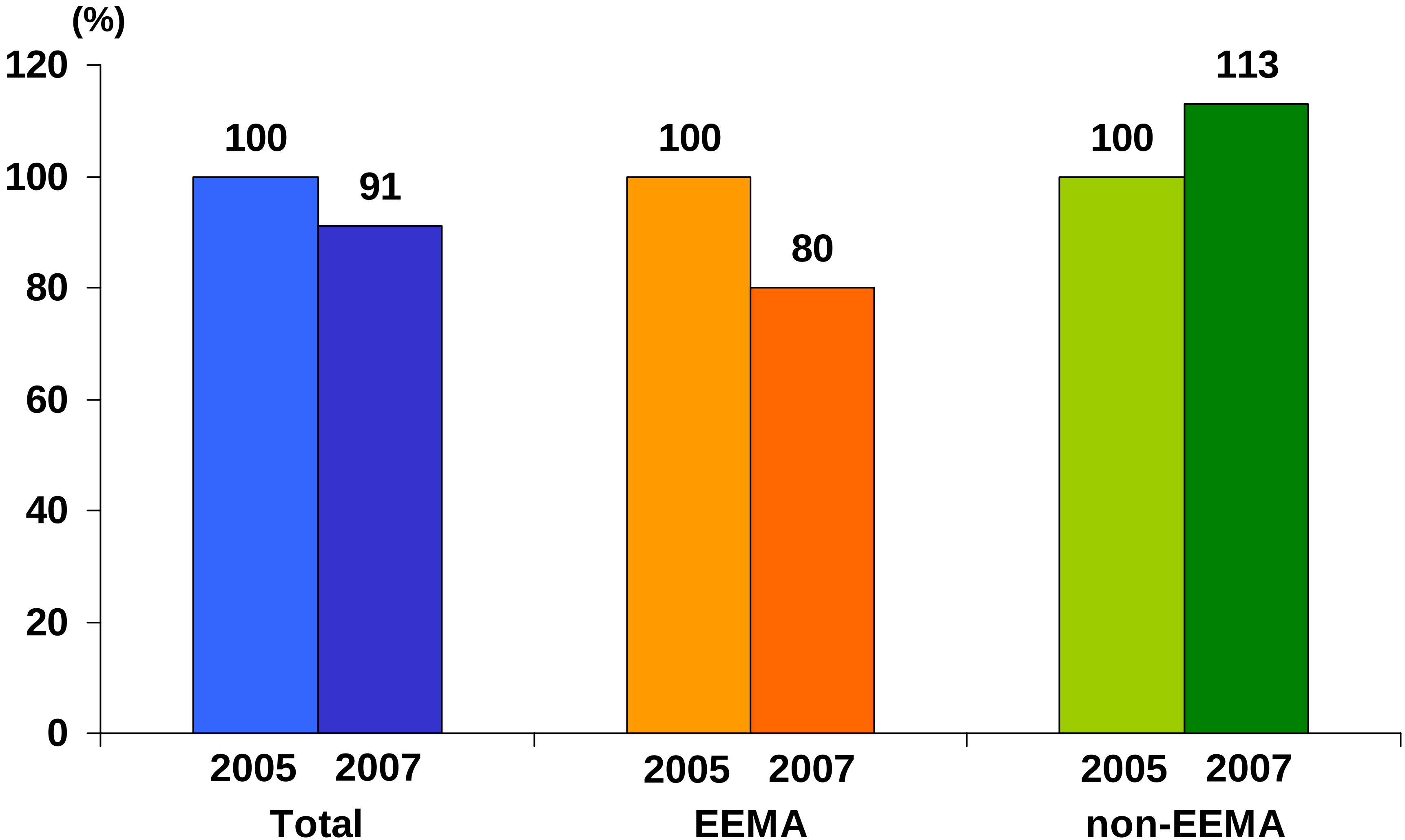
- Strong growth through 2005 driven by Eastern Europe
- Growing in many markets, such as Egypt, Germany, Poland and Thailand
- Second largest brand in the EU behind *Marlboro*

L&M Strategy

- *L&M* repositioned as "the progressive international mid-price brand delivering smooth taste"
- New product, pack and campaign
- Re-launch in 2007 focusing on Romania, Russia and Ukraine
- Initial results very promising: product, image, in-switching rates and demographics on target

Source: PMI Financials and GIMS

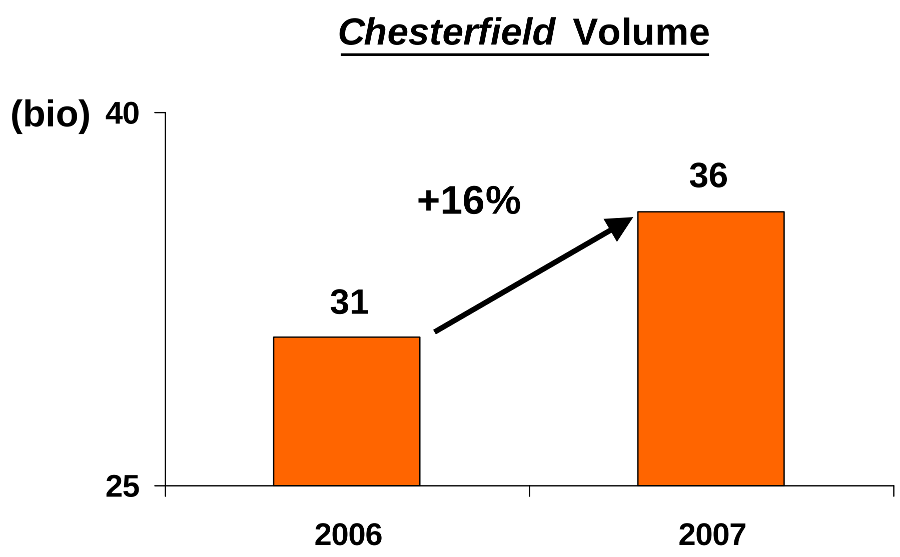
L&M Volume Performance



Source: PMI Financials

Chesterfield

- Key growth markets are Italy, Russia, Spain and Ukraine
- Revamped packaging and new communications platform
- Geographic expansion



Source: PMI Financials

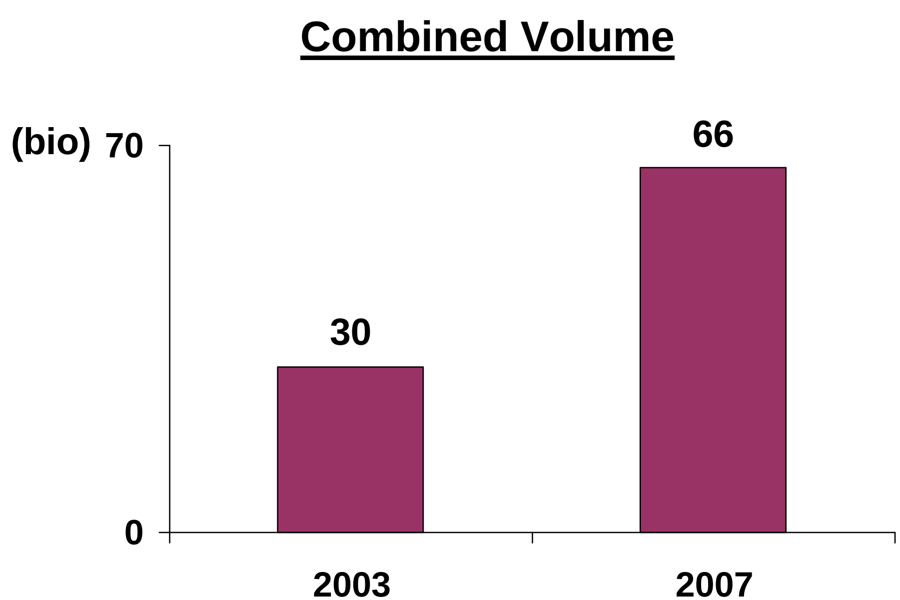
Philip Morris and *Muratti*

- **The volume of the *Philip Morris* brand rose 3% to 37 billion units**
- **Argentina, France and Italy driving growth of the *Philip Morris* brand**
- **Volume of *Muratti* up 5% in 2007**
- **Geographic expansion**

Source: PMI Financials

Low-Price International Brands

- **PMI reinforcing its position in profitable low-price segments**
- ***Bond Street*, *Next* and *Red&White* volume has more than doubled since 2007**

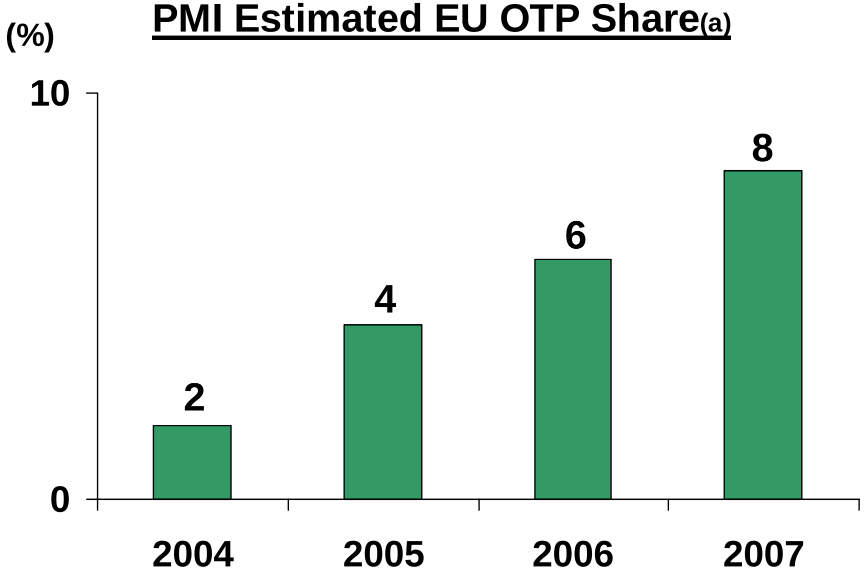


Source: PMI Financials

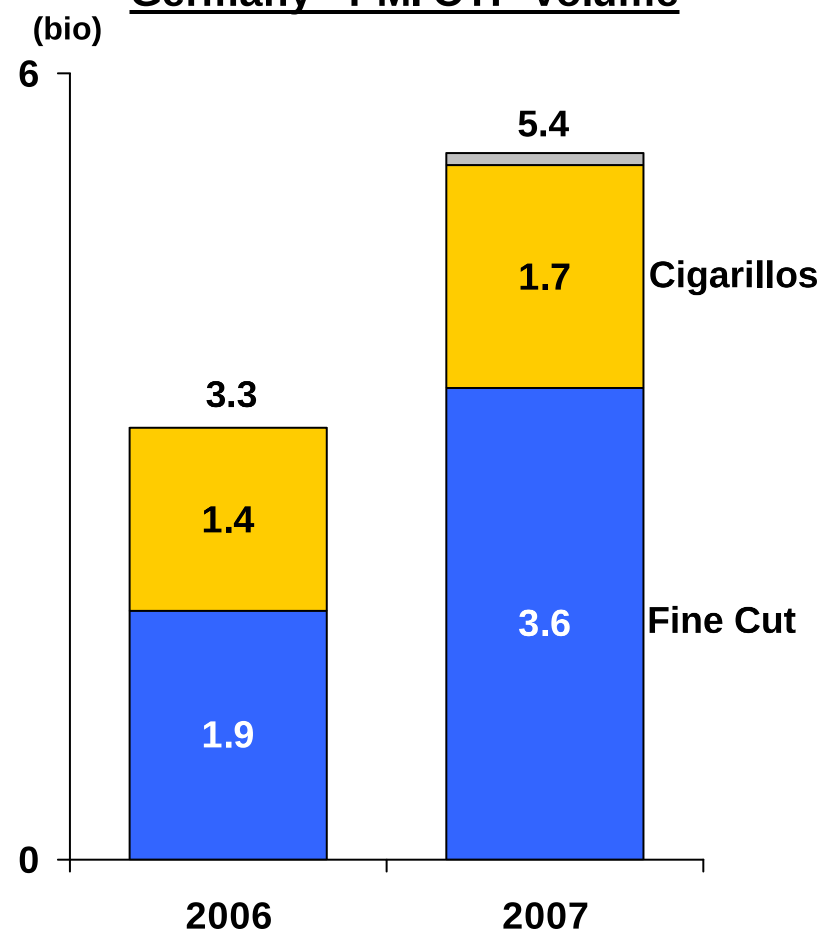
Other Tobacco Products

- **PMI OTP momentum can be illustrated by Germany**
- **PMI share over 10% in 2007**

PMI Estimated EU OTP Share(a)



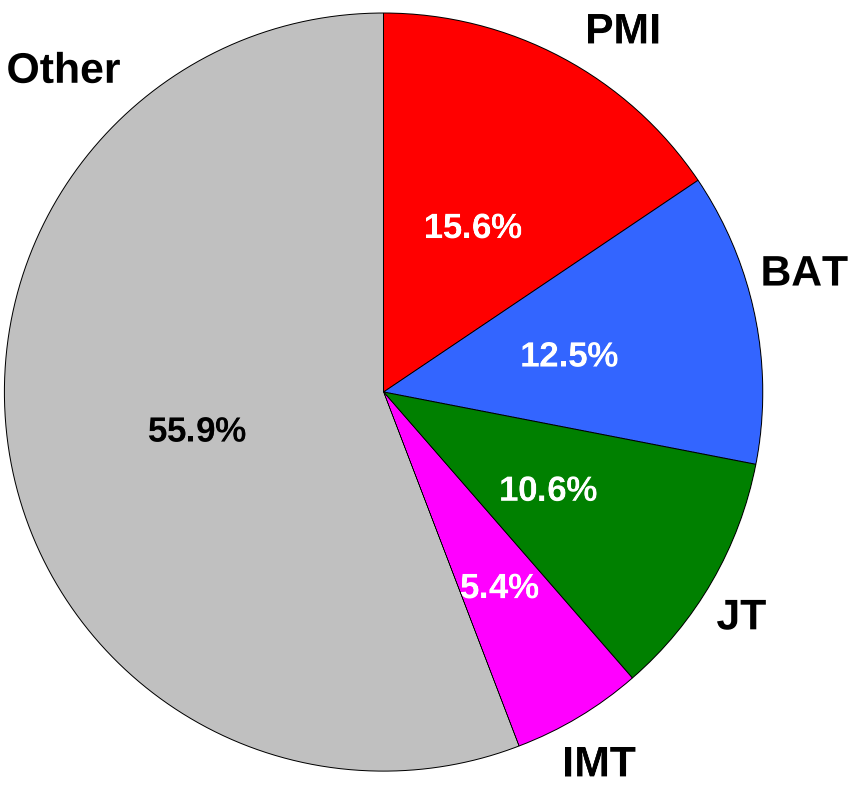
Germany - PMI OTP Volume[(a)]



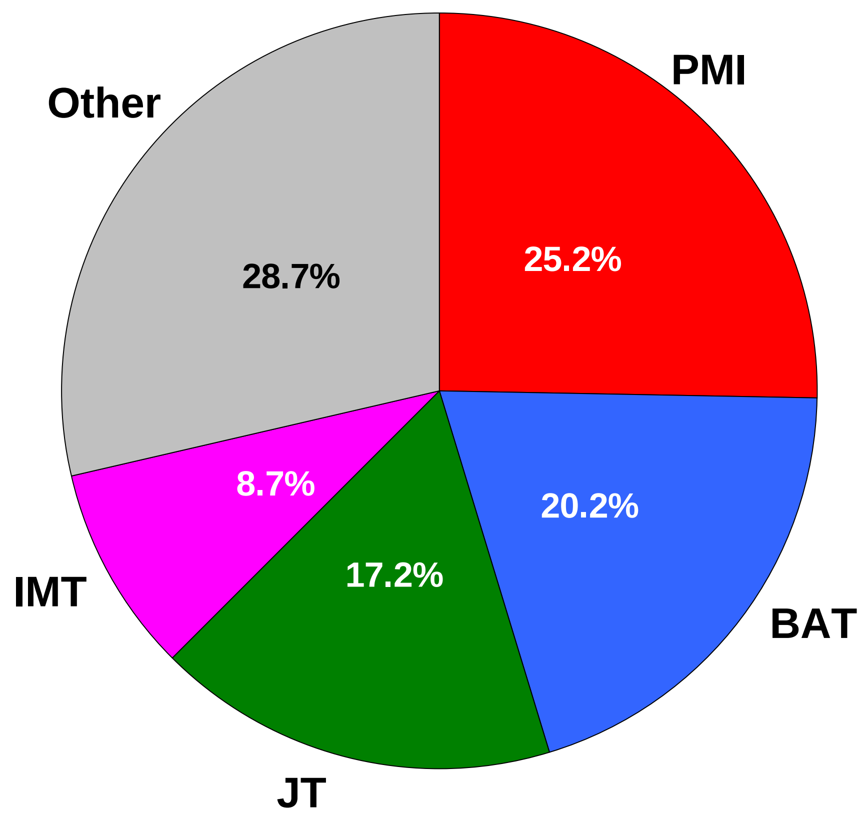
(a) In billion units equivalent excluding tobacco portions

Source: PMI Financials and PMI estimates

International Share Opportunities



International Market[(a)]

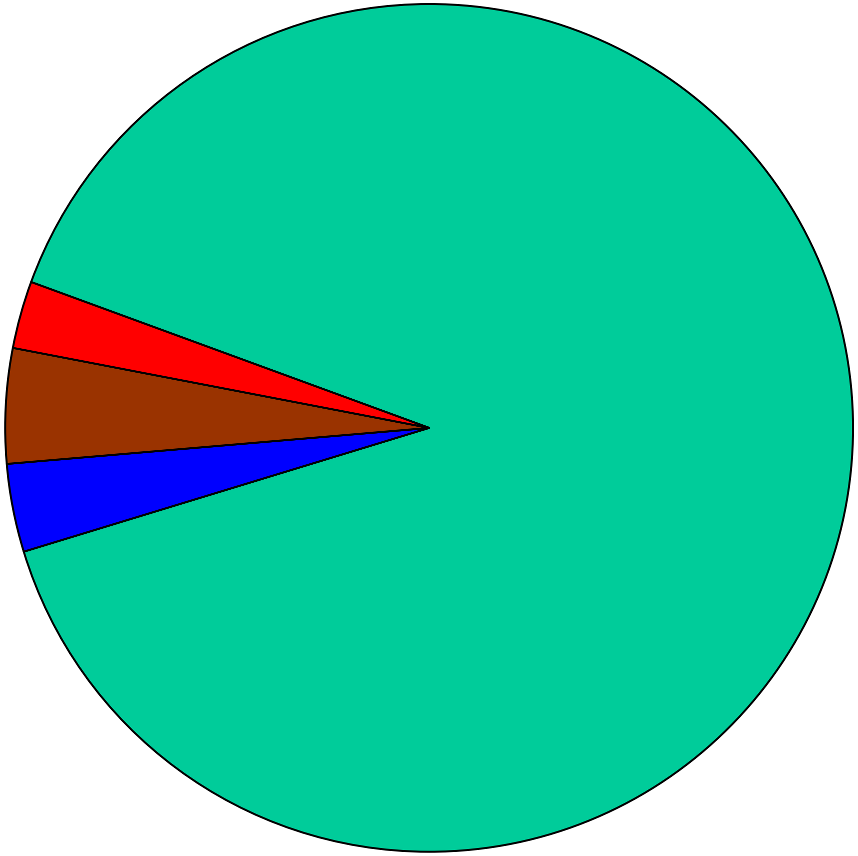


International Market excl. PRC[(a)]

(a) Assumes JT's acquisition of Gallaher and Imperial's acquisition of Altadis were effective as of January 1, 2007

Source: 2007 competitive data derived by PMI from 2006 company reports using PMI estimates of 2007 evolution and BAT 2007 company report. PMI data from GIMS.

Market Opportunities



Volume: 2.3 trillion units

Source: PMI GIMS

Regulatory Environment

- Regulation can create a level playing field and help address illicit trade and youth smoking
- Regulation must incorporate harm reduction through reduced risk products
- PMI in parallel seeking to develop products that will reduce risk and methods to reduce the risk assessment cycle
- PMI engaged in dialogue on tobacco regulation

Fiscal Environment

- Fairer and more predictable excise tax environment
- Appropriate excise tax structures in place in most of our top 25 OCI markets

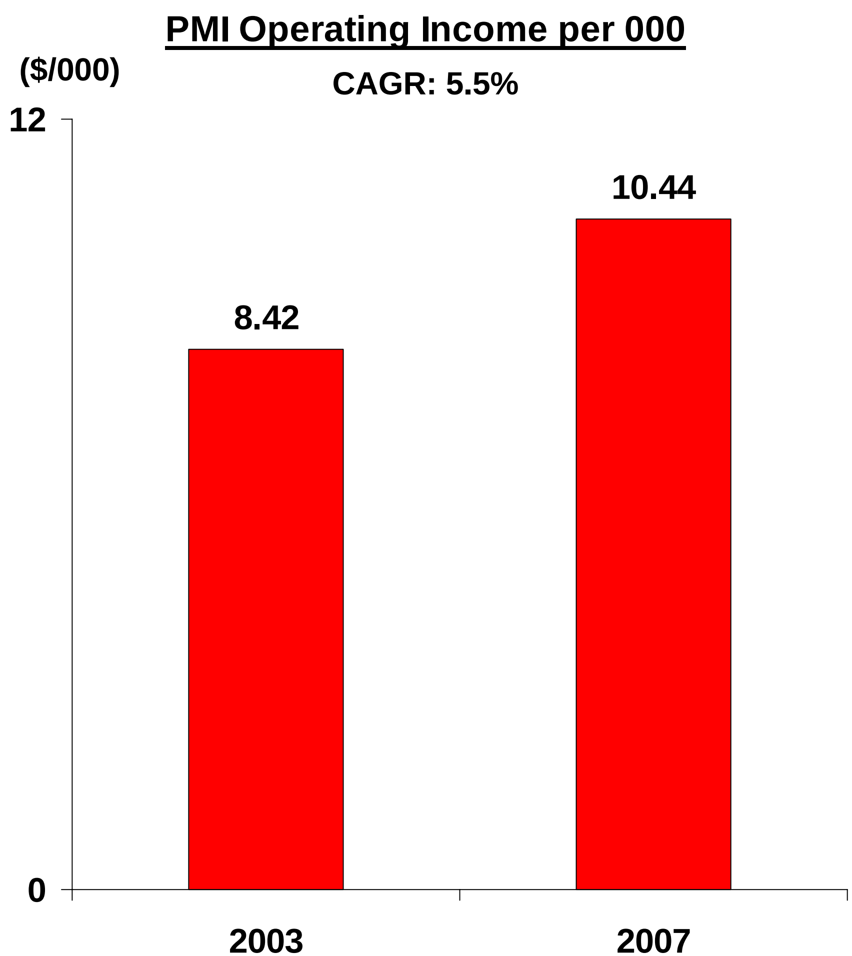
Indonesia – Excise Taxes

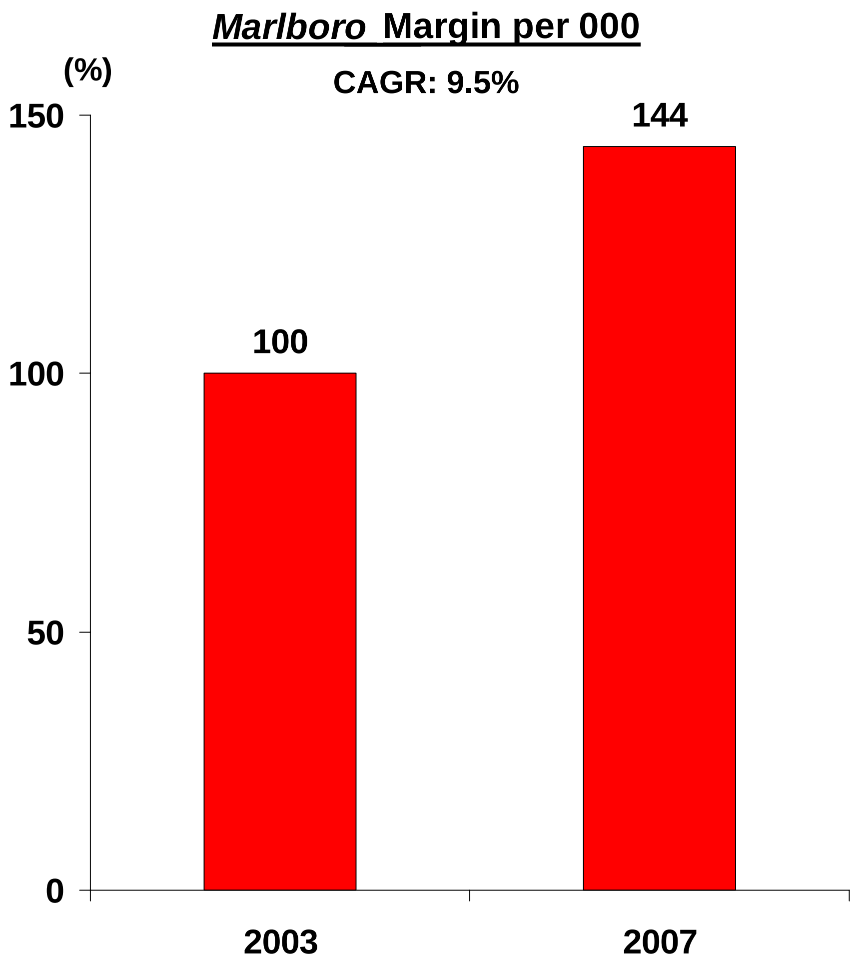
	Excise Tax Rates		
	2003-Feb. 2007	March-Dec. 2007	Jan. 2008-
White Tier 1[(a)]	40%	40% +7 IDR/stick	34% +35 IDR/stick
Machine made Kretek Tier 1[(b)]	40%	40% +7 IDR/stick	36% +35 IDR/stick
Hand made Kretek Tier 1[(c)]	22%	22% +7 IDR/stick	18% +35 IDR/stick

(a) e.g. Marlboro Red
(b) e.g. Sampoerna A Mild 16
(c) e.g. Dji Sam Soe 12

Source: Indonesian Ministry of Finance Regulation Number: 134/PMK.04/2007.

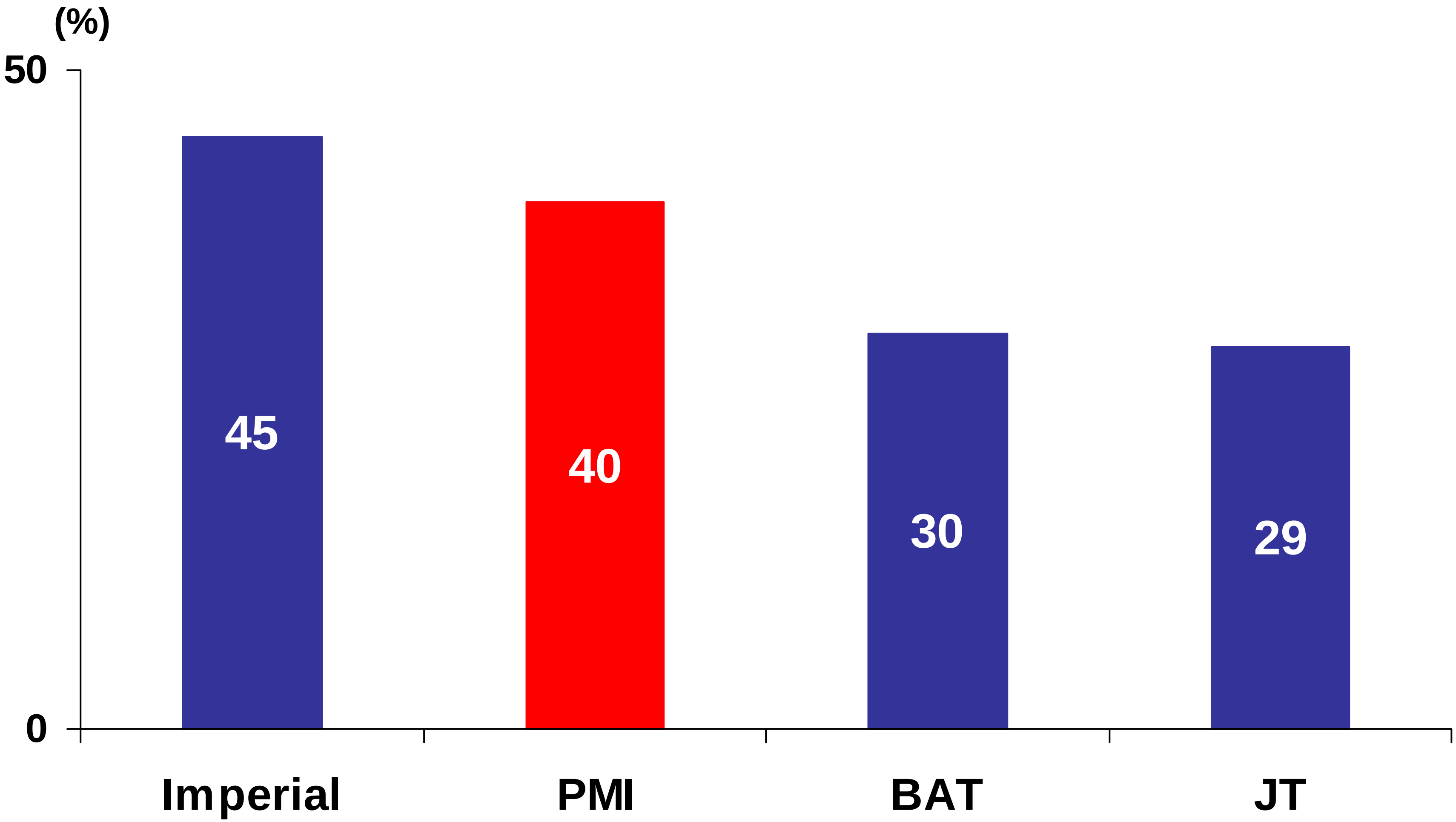
Operating Performance





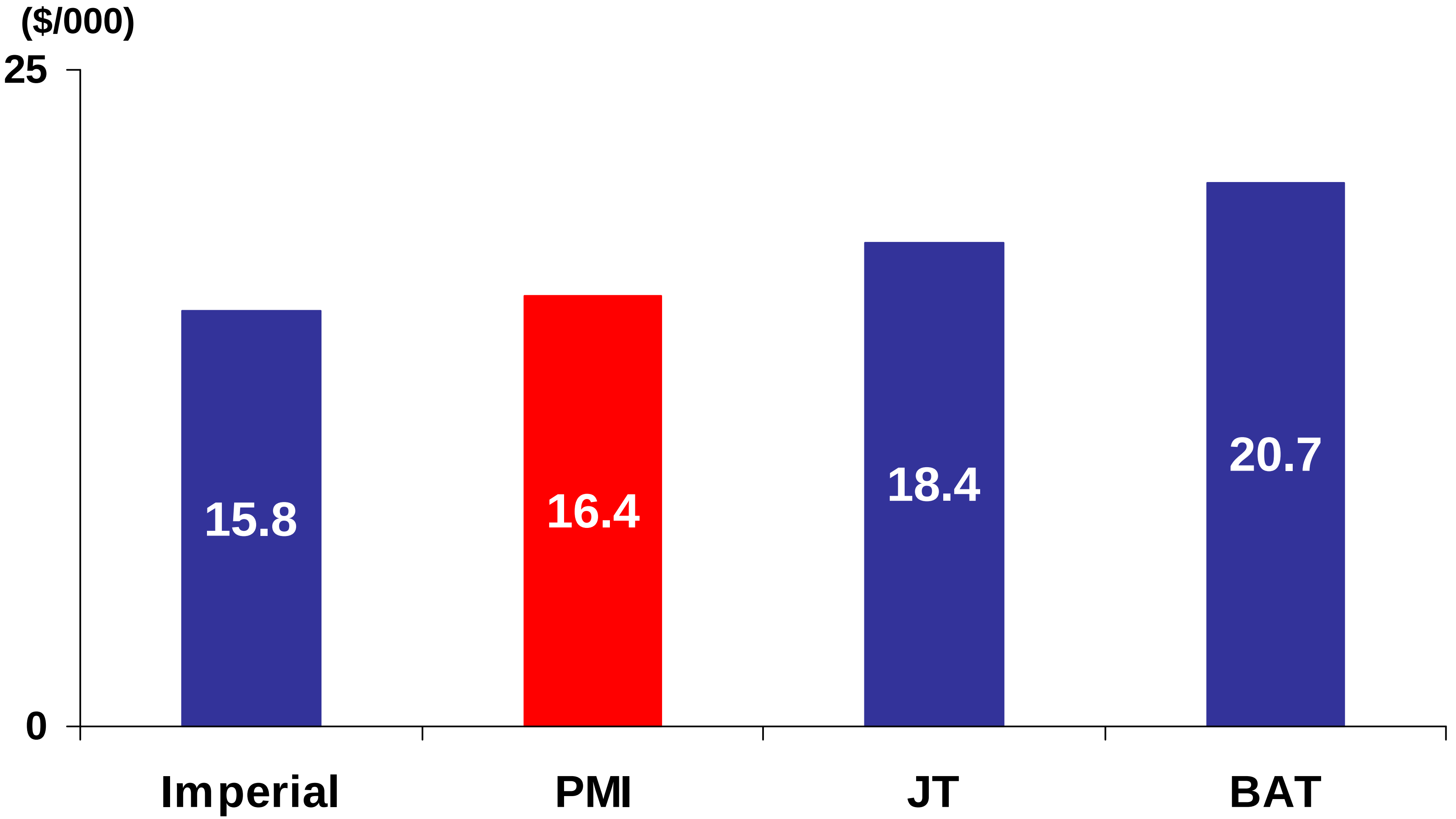
Source: PMI Financials

Adjusted Operating Margins



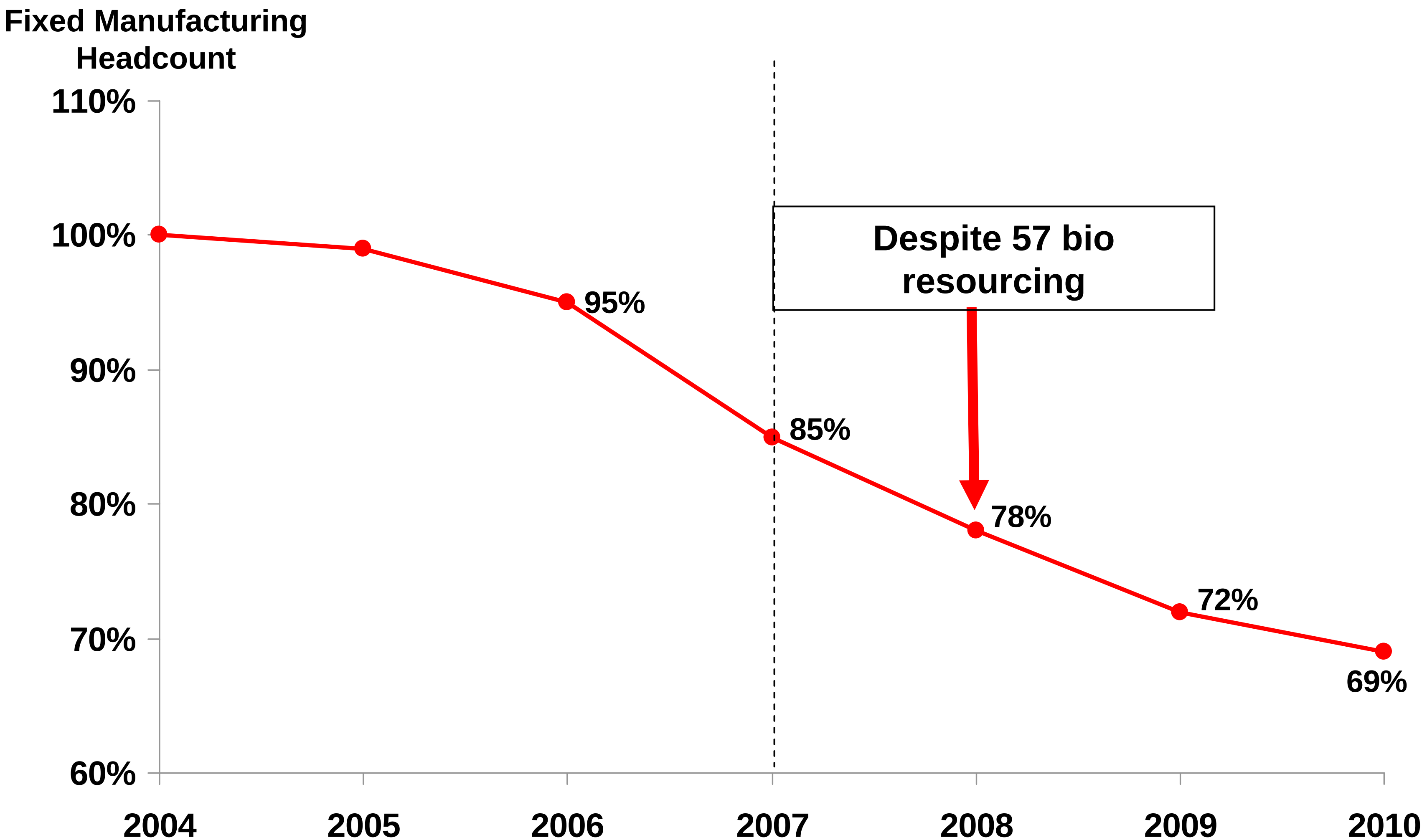
Source: PMI Form 10; BAT 2007 Company Report; Imperial 12 months ending Sep. 20, 2007 (excludes Altadis); JT 9 months ending Dec 2007 (cigarette business only).

Total Operating Cost per 000 cigarettes



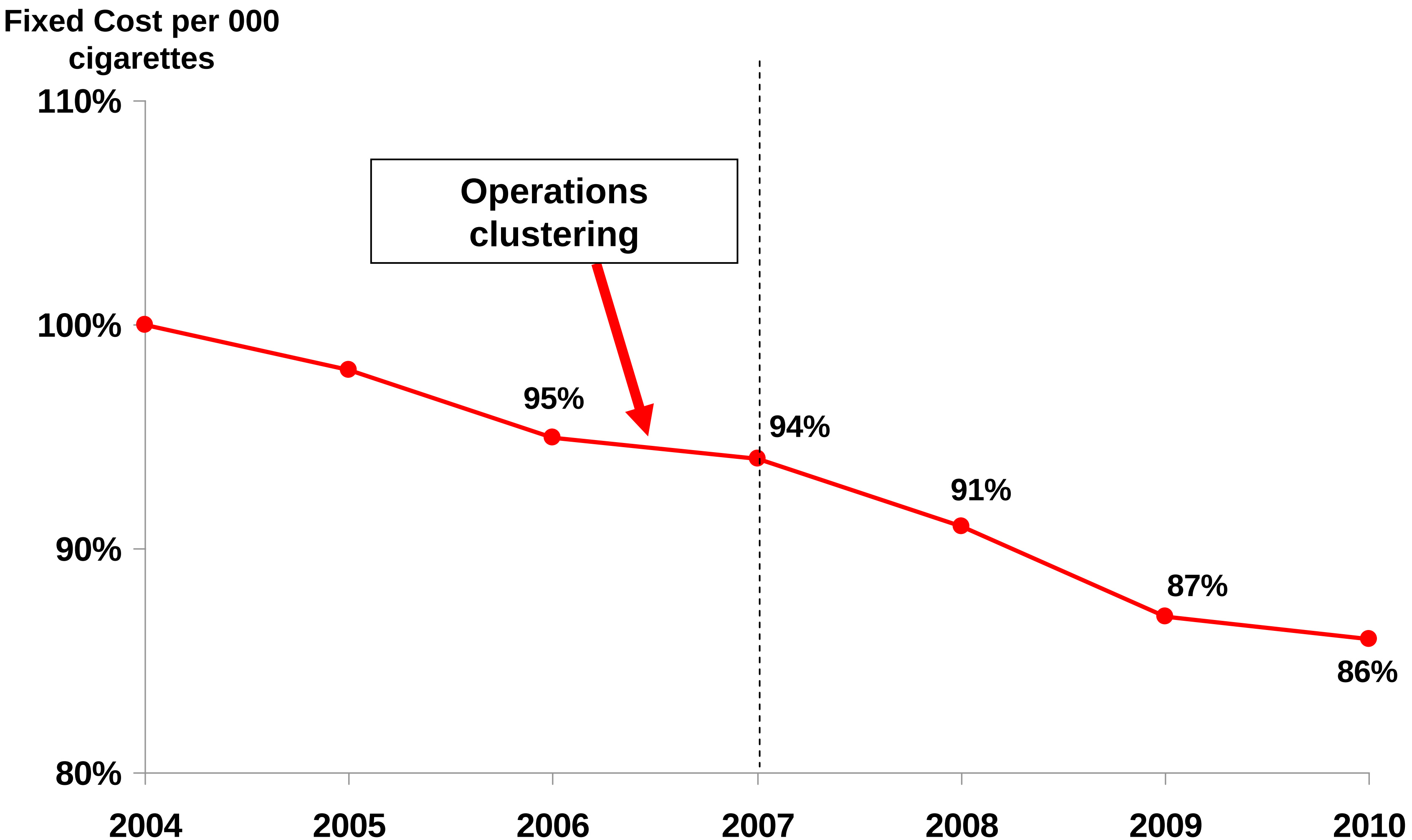
Source: PMI Form 10; BAT 2007 Company Report; Imperial 12 months ending Sep. 20, 2007 (excludes Altadis); JT 9 months ending Dec. 2007 (cigarette business only).

Manufacturing Efficiency



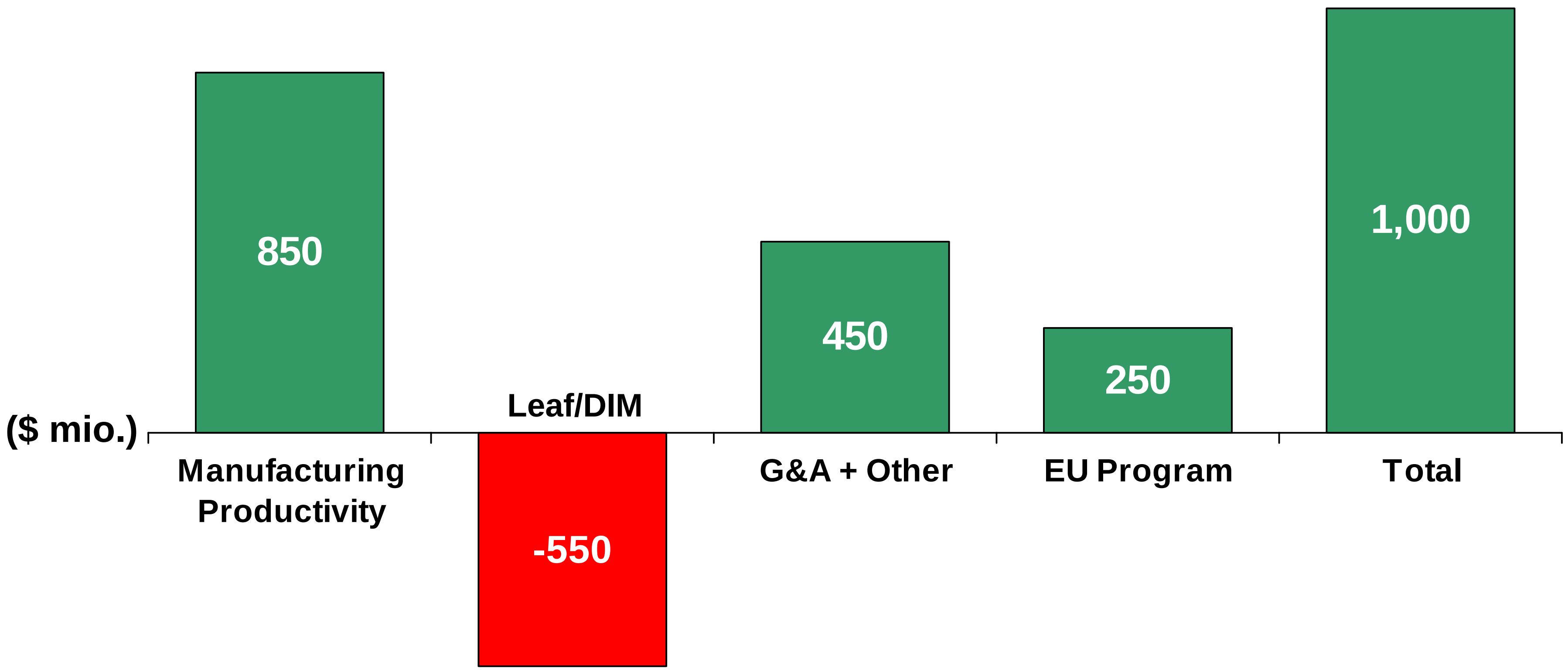
Best in class manufacturing footprint

Manufacturing Efficiency

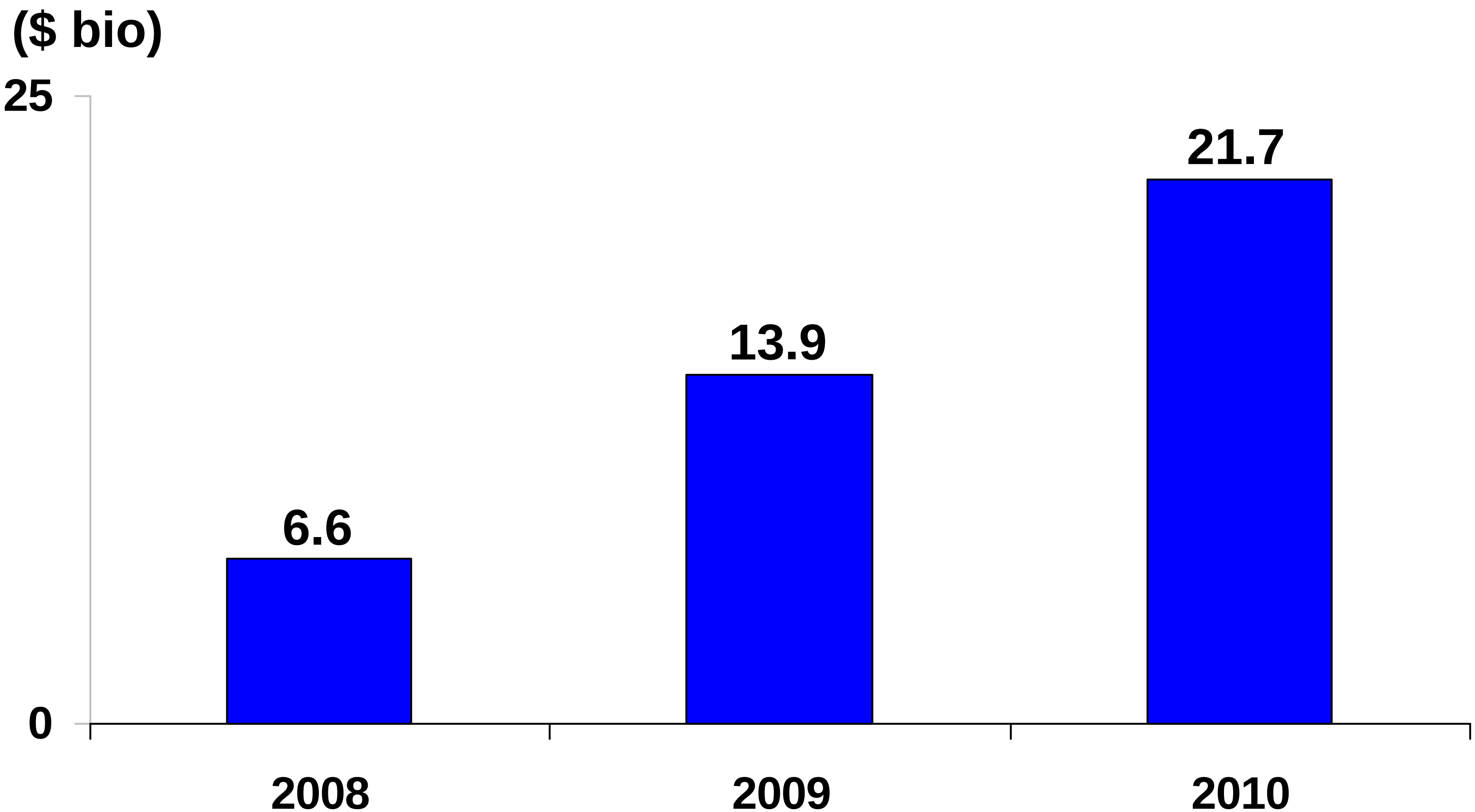


Constant, focused attention on organizational efficiencies

Forecast Cumulative Cost Savings (2008-10)



Forecast Cumulative Operating Cash Flow (2008-10)



Outlook

- **2008 EPS growth: 12-14%**

Longer term annual growth targets:

Volume:	**1-2%**
Net revenues:	**4-6%**
Operating income:	**6-8%**
EPS:	**10-12%**

Outlook: Potential Upsides/Downsides

Potential Risks

- Excise taxes
- More aggressive price competition
- Raw material costs

Potential Opportunities

- Margin enhancement
- New geographies
- Acquisitions

PMI: a Compelling Investment

- Global leadership and scale
- Excellent geographic balance
- World class brand portfolio
- Significant revenue and volume growth opportunities
- $1 billion cumulative cost savings expected by 2010
- Tremendous operating cash flow
- $21 billion forecast cash returns to shareholders over next two years
- Longer term EPS growth of 10-12%

Operating Companies Income Reconciliation

(U.S. Dollars in millions)

	First Half			Second Half		
	2007	2006	% Change	2007	2006	% Change
Reported Operating Companies Income	$ 4,394	$ 4,106	7.0%	$ 4,528	$ 4,352	4.0%
Adjustments:						
Remove asset impairment and exit costs	138	23		57	103	
Remove Italian antitrust charge		61				
Remove gain on sale of business					(488)	
Remove impact of divestitures and acquisitions		(29)			(7)	
Add impact of currency movements		183			288	
Adjusted Operating Companies Income	$ 4,532	$ 4,344	4.3%	$ 4,585	$ 4,248	7.9%