

## IMPORTANT TAX INFORMATION FOR ALTRIA SHAREHOLDERS



### Distribution of Philip Morris International Inc. Common Stock

#### Altria Group, Inc. Shareholder Tax Basis Information

On March 28, 2008, Altria Group, Inc., a Virginia corporation (“Altria”), distributed (the “Distribution”) 100% of the outstanding shares of Philip Morris International Inc., a Virginia corporation (“PMI”), to the holders of record of Altria common stock as of 5:00 p.m. New York City Time on March 19, 2008 (each, an “Altria Shareholder”). Altria and PMI are now two unaffiliated, publicly-owned companies.

This notice contains a general explanation of certain U.S. Federal income tax consequences of the Distribution for Altria Shareholders. Attached to this notice is a form for a Tax Information Statement that must be filed by certain U.S. Altria Shareholders with their 2008 U.S. Federal income tax returns.

#### CONSULT YOUR TAX ADVISOR

**The information contained in this notice represents our general understanding of the application of certain existing U.S. Federal income tax laws and regulations relating to the Distribution. It does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of Altria Shareholders. You are urged to consult your own tax advisor regarding the particular consequences of the Distribution to you, including the applicability and effect of all U.S. Federal, state and local and foreign tax laws. We also urge you to read the Information Statement dated March 7, 2008 that was mailed to you, noting especially pages 19-22 under the heading “The Distribution-U.S. Federal Income Tax Consequences of the Distribution.” You may access the Information Statement on our website at [www.altria.com](http://www.altria.com).**

#### INFORMATION ABOUT THE DISTRIBUTION

In the Distribution, Altria Shareholders of record received one share of PMI common stock for every share of Altria common stock held as of 5:00 p.m. New York City Time on March 19, 2008.

*If you did not receive the Distribution of PMI common stock on March 28, 2008, this notice does not apply to you. Additionally, this notice does not apply to shares of Altria common stock sold, exchanged or otherwise disposed of prior to the time of the Distribution.*

## GENERAL TAX INFORMATION

Altria received a private letter ruling from the Internal Revenue Service and an opinion of counsel that the Distribution of PMI common stock qualifies as a tax-free distribution for U.S. Federal income tax purposes. As a result, you generally will not recognize gain or loss for U.S. Federal income tax purposes on the receipt of PMI common stock.

## GENERAL GUIDANCE REGARDING TAX BASIS

As a consequence of the Distribution, you will need to allocate the tax basis in your Altria shares immediately before the Distribution between your Altria shares and your newly-received PMI shares. If you purchased your Altria shares for cash, the tax basis for your Altria shares would generally equal the cost of these shares including commissions or other fees. If you received your Altria shares as a gift, through an employee compensation arrangement, or through some other means, *we recommend that you consult your own tax advisor to determine your tax basis in these shares.* If you acquired Altria shares at different times, you will need to make separate tax basis calculations for each group of shares based on their fair market values at the time you acquired the shares.

The allocation of tax basis between shares of Altria common stock and PMI common stock you received in the Distribution is based on their relative fair market values at the time of the Distribution. U.S. Federal income tax law does not specify how to determine these fair market values. Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. There are several potential methods for determining the fair market values of Altria common stock and PMI common stock. One approach for determining the fair market value is to utilize the closing trading prices of Altria common stock and PMI common stock quoted on the New York Stock Exchange on the trading day after the Distribution, which were \$22.20 and \$50.58, respectively, on March 31, 2008. A different potential approach for determining the fair market value is to utilize the average of the high and low trading prices of Altria common stock and PMI common stock trading on a “when issued” basis quoted on the New York Stock Exchange on the date of the Distribution, which were \$23.13 and \$51.53, respectively, on March 28, 2008.

The following is an example of how to allocate your aggregate tax basis in your Altria common stock immediately before the Distribution between your Altria common stock and your newly-received PMI common stock. The example is based on the closing prices on the trading day following the Distribution, as described above. The example is provided solely for illustrative purposes and as a convenience to Altria Shareholders and their tax advisors when establishing their specific tax position. Please remember that neither Altria nor PMI provides its shareholders with tax advice, and this notice is not intended to provide tax advice. This notice is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. Altria encourages its shareholders to consult with their own tax advisors with their specific questions pertaining to their own tax positions including the application of the tax basis allocation rules to Altria shares acquired at different times and/or at different prices.

## HYPOTHETICAL EXAMPLE OF TAX BASIS ALLOCATIONS

### Assumptions:

Shares of Altria common stock owned:	100 shares
Purchase price for Altria shares:	\$70 per share
Aggregate tax basis for Altria shares:	<b>\$7,000</b> (100 shares x \$70 per share)
PMI shares received in Distribution:	100 shares

Your aggregate tax basis in Altria shares immediately prior to the Distribution would be allocated between your Altria common stock and your newly-received PMI common stock as follows:

### Formula for Calculating Share Basis Allocation Percentage:

To find the Altria share basis allocation percentage, simply divide the fair market value of Altria common stock by the sum of the fair market values of Altria common stock and PMI common stock.

To find the PMI share basis allocation percentage, simply divide the fair market value of PMI common stock by the sum of the fair market values of Altria common stock and PMI common stock.

	Fair Market Value (e.g. NYSE Closing Price on 3/31/08)		Sum of Fair Market Values (e.g. Altria NYSE Closing Price plus PMI NYSE Closing Price on 3/31/08)				Share Basis Allocation Percentage
Altria Common Stock	\$22.20	÷	(\$22.20 + \$50.58)	x	100%	=	30.5%
PMI Common Stock	\$50.58	÷	(\$22.20 + \$50.58)	x	100%	=	69.5%

### Formula for Calculating Tax Basis Allocation:

To find your Altria tax basis allocation, multiply your aggregate Altria tax basis prior to the Distribution by your Altria share basis allocation percentage. To find your Altria tax basis allocation per share, divide this number by the number of Altria shares held prior to the Distribution.

To find your PMI tax basis allocation, multiply your aggregate Altria tax basis prior to the Distribution by your PMI share basis allocation percentage. To find your PMI tax basis allocation per share, divide this number by the number of Altria shares held prior to the Distribution.

	Aggregate Altria Tax Basis		Share Basis Allocation Percentage		Tax Basis Allocation		Altria Shares held Prior to Distribution	Tax Basis Allocation per Share
Altria Common Stock	\$7,000	x	30.5%	=	<b>\$2,135</b>	÷	100	<b>\$21.35</b>
PMI Common Stock	\$7,000	x	69.5%	=	<b>\$4,865</b>	÷	100	<b>\$48.65</b>

Certain Altria Shareholders (i.e., those shareholders who, immediately before the Distribution, owned 5% or more of Altria common stock or owned Altria securities with an aggregate tax basis of \$1 million or more) who received shares of PMI common stock in the Distribution are required to include a statement related to the Distribution in their U.S. Federal income tax returns for the year in which the Distribution occurs. This statement is attached to this notice for your convenience.

**STATEMENT PURSUANT TO TREASURY REGULATIONS**

**SECTION 1.355-5(b) BY** (Name): \_\_\_\_\_,

(Taxpayer Identification Number or Social Security Number): \_\_\_\_\_,

**A SIGNIFICANT DISTRIBUTE**

On March 28, 2008, Altria Group, Inc., a Virginia corporation ("Altria"), distributed (the "Distribution") 100% of the outstanding shares of Philip Morris International Inc., a Virginia corporation ("PMI"), to the holders of record of Altria common stock as of 5:00 p.m. New York City Time on March 19, 2008 (the "Record Date"). As a result of the Distribution, each Altria shareholder of record as of the Record Date was entitled to receive one share of PMI common stock for each share of Altria common stock held by such shareholder as of the Record Date.

1. Name, address and employer identification number of the distributing corporation:

Altria Group, Inc.  
6601 West Broad Street  
Richmond, Virginia 23230  
EIN: 13-3260245

2. Name, address and employer identification number of the controlled corporation:

Philip Morris International Inc.  
120 Park Avenue  
New York, New York 10017  
EIN: 13-3435103

3. The undersigned was a shareholder owning shares of Altria common stock as of the Record Date and solely received shares of PMI common stock in the Distribution. The aggregate fair market value of the PMI common stock received by the shareholder was \$\_\_\_\_\_.
4. The undersigned did not surrender any stock or securities in Altria in connection with the Distribution.
5. Altria received a private letter ruling from the Internal Revenue Service and an opinion of its counsel to the effect that the Distribution will qualify as tax-free under Section 355 of the Internal Revenue Code of 1986, as amended.

\_\_\_\_\_  
Shareholder's Name (please print)

\_\_\_\_\_  
Taxpayer's Signature

\_\_\_\_\_  
Taxpayer's Identification Number or  
Social Security Number

IF APPLICABLE, THIS STATEMENT SHOULD BE COMPLETED AND ATTACHED TO YOUR 2008 FEDERAL INCOME TAX RETURN. IT SHOULD NOT BE SENT TO ALTRIA OR PMI.