

## PRESS RELEASE



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### **Philip Morris International Inc. (PMI) announces strategic direct leaf purchasing initiative in Brazil**

NEW YORK, June 21, 2010 -- Philip Morris International Inc. (NYSE / Euronext Paris: PM) today announced that its affiliate, Philip Morris Brasil Industria e Comercio Ltda. (PMB), will begin directly sourcing tobacco leaf from approximately 17,000 tobacco farmers in Southern Brazil.

This initiative enhances PMI's direct involvement in the supply chain and is expected to provide approximately 10% of PMI's global leaf requirements. The vertically integrated structure was made possible following separate agreements with two current leaf suppliers in Brazil, Alliance One Brasil Exportadora de Tabacos Ltda. (AOB), a subsidiary of Alliance One International, Inc., and Universal Leaf Tabacos Ltda. (ULT), a subsidiary of Universal Corporation, to each assign around 8,500 contracts with tobacco farmers to PMB.

"With this strategic integration, PMI will further ensure the sustainability of its leaf supply in Brazil, improve cost efficiencies and enable us to better align leaf supply and demand," said Martin King, Senior Vice President, Operations, PMI.

"We are confident that through our direct involvement with the farmers, as well as the wider tobacco growing communities, we can have a greater impact on improving their long term economic sustainability," he added.

Under the new leaf procurement structure, PMB will offer employment to more than 200 employees, most of them agronomy specialists, and will acquire related assets in Southern Brazil. AOB and ULT will continue to process the tobacco grown by PMB contracted farmers and also supply additional PMI leaf purchase requirements.

The transactions, which are subject to approval by the Brazilian competition law authority CADE, are expected to be completed by the end of the third quarter 2010.

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#### **About Philip Morris International Inc.**

Philip Morris International Inc. (PMI) is the leading international tobacco company, with seven of the world's top 15 brands, including *Marlboro*, the number one cigarette brand worldwide. PMI has more than 77,000 employees and its products are sold in approximately 160 countries. In 2009, the company held an estimated 15.4% share of the total international cigarette market outside of the U.S., or 26% excluding the People's Republic of China and the U.S. For more information, see [www.pmi.com](http://www.pmi.com).

#### **Philip Morris Brasil Industria e Comercio Ltda.**

Philip Morris Brasil Industria e Comercio Ltda. (PMB), with business headquarters in Curitiba, has approximately 2,400 employees in its offices and facilities around the country and in its factory in Santa Cruz do Sul. PMB is the second largest cigarette company in Brazil, manufacturing and distributing leading international brands such as *Marlboro* and *L&M*, as well as local brands such as *Shelton* and *Dallas*.