

March 22, 2007

Even Hurwitz
Senior Vice President Corporate Affairs
Philip Morris International
Avenue de Cour 107
Case Postale 1171
1001 Lausanne
SWITZERLAND

Dear Mr. Hurwitz:

Thank you for your letter of February 23, 2007, which was in response to the list of nine demands that over 100 organizations worldwide have made of Altria/Philip Morris International. On behalf of these organizations, I would like to follow up on a few items in your letter.

As a preliminary matter, we must reiterate that we believe the break-up of Philip Morris USA and Philip Morris International poses grave risks to global public health. As Judge Gladys Kessler recently concluded in the U.S. government litigation against Philip Morris and other leading tobacco companies, Philip Morris has engaged in a decades-long conspiracy to deceive smokers, the public and policymakers, deny the health harms of smoking and second-hand smoke and entice and addict children. Litigation such as the Department of Justice case and other factors have imposed a modicum of control on your company, including to some limited extent, in its international operations. We believe that freeing up Philip Morris International from its ties to the United States will remove these mild restraints, and enable the company to operate in many parts of the world with an even greater degree of irresponsibility than it has and does. In this light, and in the context of Philip Morris's claims to be a reformed enterprise, we are disappointed that you have rejected, in whole or part, the demands placed to you by the global coalition of public health organizations. We intend to press these demands in the coming year.

That said, we do want to follow up on some of your specific replies to our demands.

In response to the demand that PMI extend the European tobacco smuggling agreement to include every country in which the company operations, you wrote that "we fully support the implementation of many of the [European] Agreement's mechanisms in other countries, including tracking, tracing, labeling and record-keeping requirements, which we think could be best implemented through strict licensing systems." We would like to

know which of the European Agreement's mechanisms do you *not* support in other countries. Additionally, to the extent you can do so unilaterally, are you prepared to adopt the Agreement's provisions for other countries? To the extent measures of the Agreement require legally enforceable sanctions for non-performance, would you encourage countries to adopt as a matter of law the compliance, enforcement and penalty structure contained in the Agreement?

You also wrote that PMI is "working with governments around the world on specific agreements to address the illegal trade in cigarettes." You mention in a footnote that PMI has already entered into agreements with 14 countries, including China, Senegal, Switzerland, Thailand, and Turkey, and that it is in the process of reaching agreements with 13 other countries. We would like to request the full list of countries with which PMI has already entered agreements and those with which it is still in the process of reaching agreements, as well as copies of the 14 agreements already reached. Will PMI commit to making publicly available on its website any such agreement, or any other agreement it enters with governments?

In response to the demand that PMI disclose all political contributions, lobby costs and charitable/educational donations in every country in which it operations, you wrote that "last year we made political contributions in only two countries: Australia and Germany. Information about those contributions is disclosed to the public as required under local law, but we would be willing to disclose them on our internet site." You also noted that PMI has listed many of its charitable contributions on its website. You did not, however, address whether or not PMI would agree to fully disclose its lobbying costs in every country in which it operates. To clarify, will PMI agree to disclose *all* political contributions -- including direct contributions to candidates or political parties, indirect contributions and contributions in-kind, investments in "grassroots" lobbying -- by monetary amount and recipient; lobbying activity and costs; and charitable/educational donations by monetary amount and recipient in every country in which it operates?

In response to the demand to refrain from directly or indirectly placing tobacco products or promoting depictions of smoking in movies or other media produced anywhere in the world, you wrote that "PMI does not pay, directly or indirectly, for product placement (e.g., payment to have its brands or any tobacco products used in movies)." A direct or indirect payment is just one of many ways that a company could directly or indirectly influence the placement of one of its products in movies or other media. To clarify, does PMI currently refrain from *all methods* of directly or indirectly placing tobacco products or promoting depictions of smoking in movies or other media produced anywhere in the world?

With regards to this same demand, you wrote that "we frequently reject requests from film producers to use our brands in their films." To clarify, do and will you reject *all* such requests from film producers, and affirmatively seek to block films from using PMI products?

We would appreciate a response to these follow up questions and requests by April 7, 2007.

Sincerely,

Anna White
Coordinator, Global Partnerships for Tobacco Control