



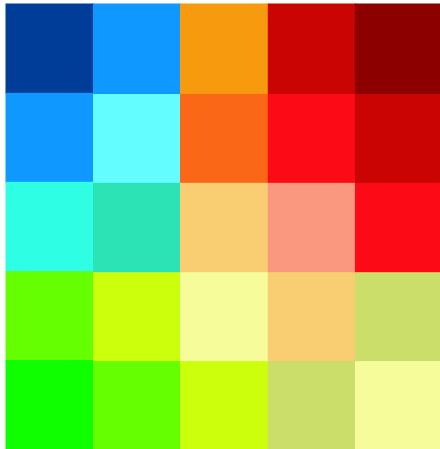
Altria
Altria Client Services



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Presented by Linda Allen-Hawkins, Director of Packaging Technology, Altria Client Services

The Altria Group



- Headquarters in Richmond, VA
- 10,000+ employees
- 2009 Net Revenue of \$23.5 BN
- Market Capitalization of ~\$52 BN



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Altria Family of Companies

Philip Morris USA
an Altria Company

U.S. Smokeless
TOBACCO CO.
an Altria Company

John Middleton 
an Altria Company

PHILIP MORRIS
CAPITAL CORPORATION
an Altria Company

Ste Michelle 
WINE ESTATES
an Altria Company



~28.5% Minority Interest



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Mission & Values

Our Mission is to own and develop financially disciplined businesses that are leaders in responsibly providing adult tobacco and wine consumers with superior branded products.

**Integrity,
Trust and
Respect**

**Passion
to
Succeed**

**Executing
with
Quality**

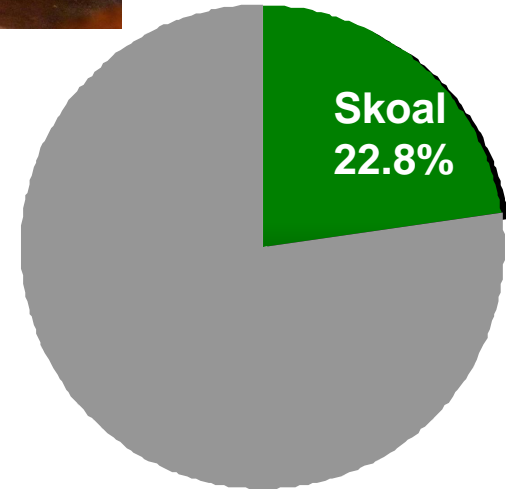
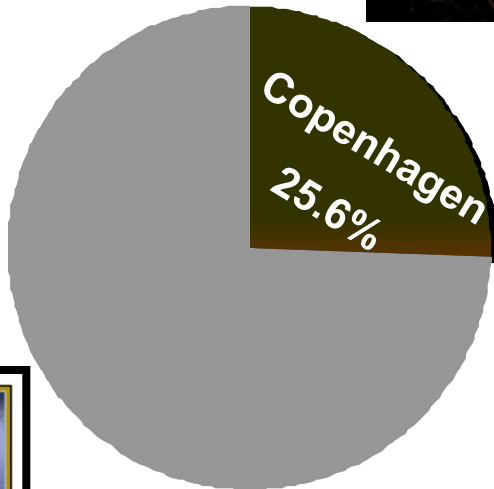
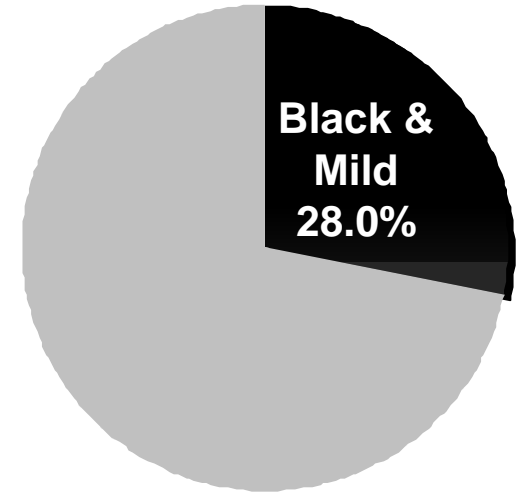
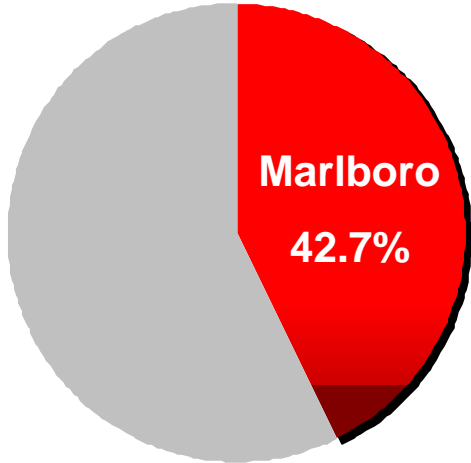
**Driving
Creativity
into
Everything
We Do**

**Sharing
with
Others**



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Four Strong Brands (1H 2010 Share)



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Brand's Value Equation



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Packaging Challenges & Future Opportunities

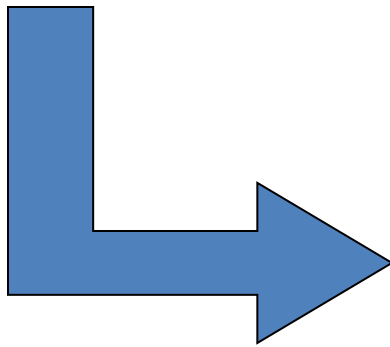
Challenges to Maintaining Superior Print Quality:

- Metallics
- Vignettes
- Tight Print Tolerances



Industry Opportunities

- Printer/Engraver Partnerships
- Color Management
- Press Fingerprints



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Print Decisions in the Future

Today

Print Decision Criteria

- Graphics
- Volume
- Cost
- Ink acceptability with tobacco

- New Products
- Shorter Runs
- Cost Efficiency

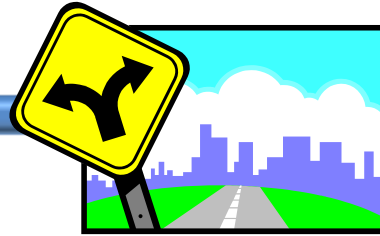
Tomorrow

Gravure Print

- + Premium Graphic Quality
- + High Volume Capacity
- + Approved Inks
- Cylinder Lead Times
- Higher Cost in Short Runs

Flexo/Offset Print

- + Near Gravure Quality
- + Tooling Cost & Timing
- + Low Cost in Short Runs
- ? Develop Approved Inks



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FDA Regulation Packaging Changes

- Warning notices will be 50% of the front and back panels of all cigarette packaging
- Warnings will be 9 different graphical images with verbiage, evenly distributed in market
- Notification expected from the FDA by June 2011
- Implementation window is required within 15 months of notification



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Printing Impact to Packaging Changes

- All current packaging designs will change and be “Branding” challenged
- Four color process needed to produce warnings will reduce available cylinder stations on press for current and future package designs
- Even distribution of the 9 warnings will be a challenge with cylinder layouts and finishing/palletizing operations at the printers
- All tobacco manufacturers will compete for engraving and printing resources with a compressed timeline

CAPACITY?
10+ COLOR PRESSES?
CYLINDERS BASES?
LOGISTICS?



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Thanks!

