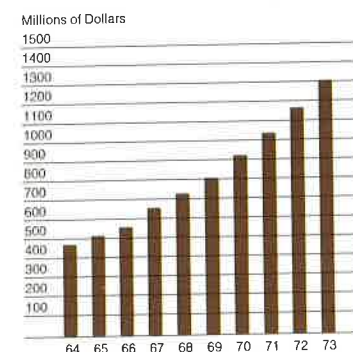




New Philip Morris Manufacturing Complex in Richmond, Virginia

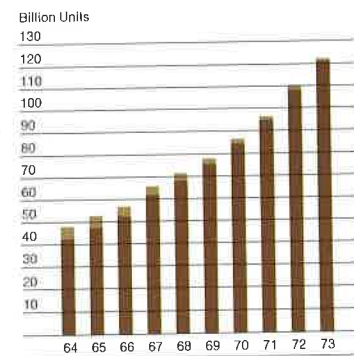
Philip Morris U.S.A.

Philip Morris U.S.A. Operating Revenues



Operating Revenues of Philip Morris U.S.A. have increased at an average annual compounded rate of 11.0% since 1964.

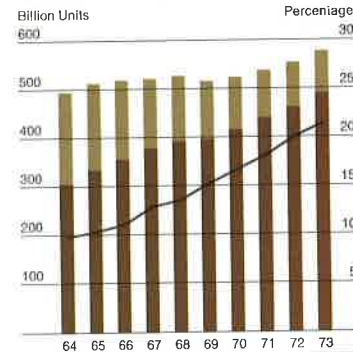
Philip Morris U.S.A. Filter Cigarette Unit Sales ■ Non-Filter Cigarette Unit Sales ■



Philip Morris U.S.A. cigarette unit sales have grown at an average annual compounded rate of 9.7% over the last 10 years. Filter cigarette sales represented 98% of Philip Morris U.S.A.'s total unit sales in 1973.

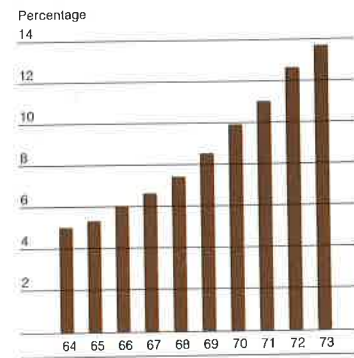
U.S. Cigarette Industry Unit Sales

Total Filter Cigarettes ■
Total Non-Filter Cigarettes ■
Philip Morris Share of U.S. Industry (%) —



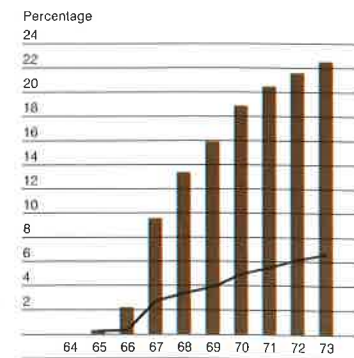
Total U.S. cigarette industry unit sales have increased at an average annual compounded rate of 2.8% since 1970 and at a rate of 1.3% since 1964. The filter segment has grown at a rate of 5.1% over the past 10 years. Philip Morris U.S.A.'s share of U.S. industry was 21.3% in 1973 versus 9.8% in 1964.

Marlboro Share of Total U.S. Industry



All categories of Marlboro now represent 13.7% of industry. Marlboro has grown at an average annual compounded rate of 12.0% since 1964.

100mm Cigarette Share of U.S. Industry ■ Philip Morris 100mm Share of U.S. Industry —



Since 1965, the year 100mm cigarettes were introduced, this category has grown to 22.6% of total industry sales. Philip Morris U.S.A. brands account for more than 29% of this category, or 7% of the total industry sales.



Come to where the flavor is.



A Philip Morris salesman takes the order. Continued upgrading of our sales force is essential to meet the growing sophistication of distributor and retailer operations. Seminars and advanced teaching methods are used to update sales techniques.

One survey revealed that "Marlboro Country" is one of the two best known themes in all American advertising.



Over 6½ million Flicker Ladies' Safety Shavers were purchased in 1973, the first full year of national distribution.



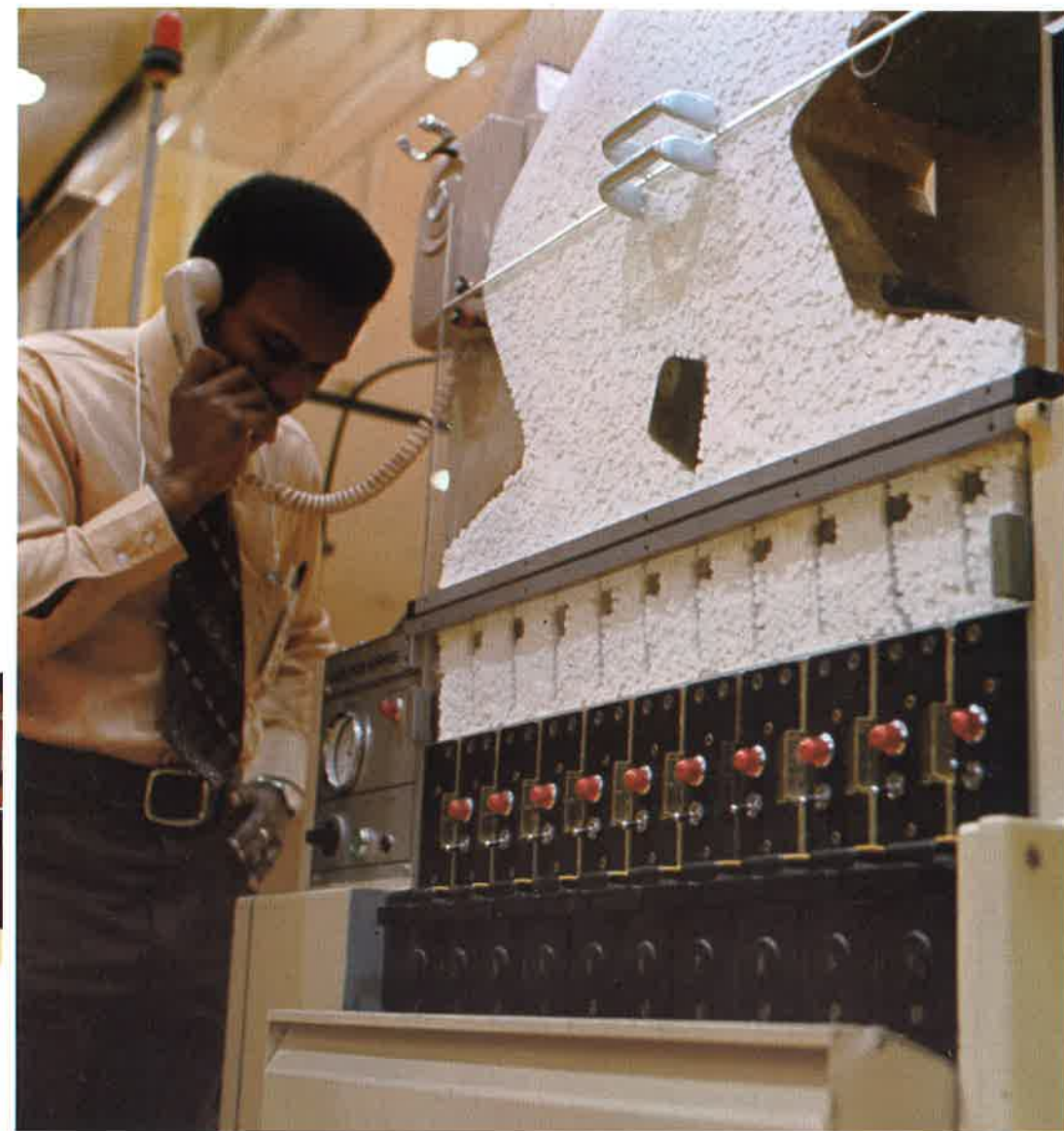
More cigarettes are purchased in supermarkets than in any other outlet. Specialists in the company's sales force work to increase Philip Morris's sales in these outlets.



The 1973 Virginia Slims circuit, with tennis stars like Margaret Court, received wide recognition.



At the National Automatic Merchandisers' Association Conference, a Philip Morris computer operator assisted vending machine accounts in determining the optimum brand mix in their machines.



Cigarette filters being sent to the "making packing" area. The Richmond facility has established a new standard of excellence.

The first annual "Marlboro Cup" race at Belmont, which featured Secretariat, Riva Ridge and other top horses, was one of the most exciting sports events of the year.