

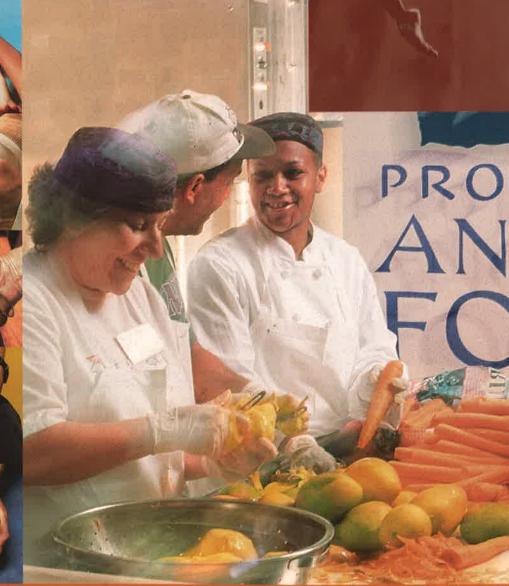
Philip Morris Corporate Contributions



PHILIP MORRIS COMPANIES INC.

KRAFT FOODS, INC.
MILLER BREWING COMPANY
PHILIP MORRIS CAPITAL CORPORATION
PHILIP MORRIS INTERNATIONAL INC.
PHILIP MORRIS U.S.A.







Philip Morris Corporate Contributions

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Sharing the commitment. Building the solution.



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D,C. Central Kitchen volunteer Melvin Hart.

Our Philosophy



Philip Morris Chairman and CEO Geoffrey Bible delivers bags of food to homebound elderly individuals as part of Philip Morris Cares Day.

hilip Morris is well known for its family of companies, including Kraft Foods, Inc., Miller Brewing Company, Philip Morris U.S.A. and Philip Morris International Inc. But what's less known is that we're also a company of families — mothers, fathers, sisters and brothers — who share values and traditions with one another. The values and qualities that are important in our homes are also fundamental to our business. Foremost is our commitment to lend a hand to others in need.

Our companies have been making charitable contributions to worthy causes for more than 40 years. The reason why we've continued to give is simple: we want to make a meaningful difference in people's lives.

Whether helping to feed a hungry person, comforting a victim of domestic violence or bringing a renowned dance company to a local theater, we believe it is vitally important to give something back to our communities. For the past four decades, we have been privileged to support a wide array of dynamic and visionary organizations. Their tireless efforts inspire us and continue to have a profound impact on the quality of life in neighborhoods around the world.

We articulate our vision for corporate giving in this publication, sharing the experiences of the individuals and communities we've helped. We are telling real stories from the organizations and friends we've come to know as a way of focusing on the pressing problems people face and the actions Philip Morris is undertaking to address them. These efforts demonstrate our most deeply held tradition of reaching out to those in need. It's a commitment we put into action every day to help families around the world build a better future.

Geoffrey C. Bible

Chairman of the Board and Chief Executive Officer Philip Morris Companies Inc.



Thank you for encouraging and nurturing new ideas, and thank you for your continued leadership. We

are fortunate to have Philip Morris on our side!

— Ginny Louloudes, Executive Director
 Alliance of Resident Theatres/New York

American business, and even more so for most companies overseas. Certainly there have long been prosperous businessmen and philanthropists who donated part of their fortunes to charity. Many of them even created private foundations which still exist today. But the public notion that companies should share the responsibility of solving social problems, and use part of their resources to do so, is for the most part a modern phenomenon. That is why it may surprise some people to know that the Philip Morris companies have been doing just that for more than 40 years.

Philip Morris' Corporate Contributions program was formally established in 1956, making it one of the nation's oldest and, in terms of monetary donations, one of the largest. We make thousands of grants each year to nonprofit organizations around the world, primarily in the fields of Hunger, Domestic Violence and Culture, with additional support for programs in the Environment, Education and AIDS. In doing so, our family of companies has become a leader in grantmaking.

Our program is designed in a straightforward, actionoriented manner. We work in close partnership with nonprofit organizations that help us understand the concerns of our communities, and continually respond to society's changing needs. Together, we apply our resources to address these needs and help improve people's quality of life.

For example, we fund programs that feed people in cities such as Paris, New York and Sofia, Bulgaria. We sponsor exhibits and performances from Boston to Tokyo that capture an innovative spirit and rich cultural heritage. We are working with organizations that help young people develop skills to

The Kraft Fresh Produce Initiative is an exceptional effort to help alleviate hunger in our country. This program of corporate generosity serves as an outstanding example for our nation's communities.

make positive choices in their lives. We support programs that provide food, clothing and shelter for battered women and children. We help citizen conservationists clean up miles of hometown rivers, and assist farmers in preserving vital American farmland. We were one of the first corporations to respond to the call for AIDS support and remain a founding partner of the National AIDS Fund.

The success of our family of companies directly impacts our ability to help communities in need. We are the largest producer and marketer of consumer packaged goods in the world, and the largest food company in the nation, through our Kraft Foods subsidiary. We employ a diverse workforce of 150,000 people in 42 states and 178 countries, and we produce some of the world's most popular products, from Post cereal to Marlboro cigarettes to Miller beer to Kraft cheese.

Yet despite our size, we do our best to maintain a personal approach in all our grantmaking. Throughout our operations, at all levels of our companies, the one-on-one relationships our employees develop with individuals and nonprofit organizations are key to our contributions. These relationships are rooted in our belief in helping others in need, a tradition of giving back to the communities where we do business, and a dedication to excellence, innovation and diversity. As core values of the Philip Morris family of companies, each of these principles is woven into the fabric of every grant.

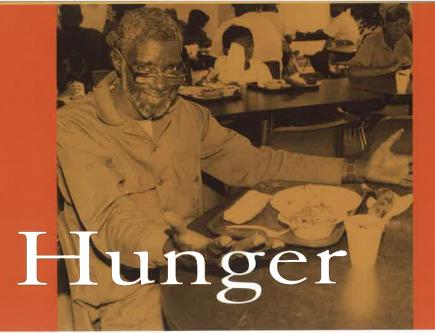
For more than four decades, we have been sharing the commitment to building lasting solutions to tough social problems. We view philanthropy as an investment in society's future and a proactive way to communicate the values we hold most dear. It has been this philosophy — and our belief in its impact — that keeps Philip Morris unwavering in its support for communities across the globe.

It is because of the generosity of companies like Miller and Philip Morris that we can continue to work together toward preventing and eliminating family violence in Milwaukee.

Kathleen F. Stolpman
 Executive Director
 Sojourner Truth House

If we get other corporations to follow Philip Morris' tremendous lead, we're going to solve the problem of hunger.

— Robert L. Egger, Director, D.C. Central Kitchen



People like Warren Brice (opposite), who are dedicated to helping the hungry, understand that hunger and food shortages are not isolated to third world famines or "other" communities. Hunger affects people in our own neighborhoods every day, and many of these people are among our most vulnerable citizens. Although we may not always notice, the faces of hunger are all around us.

Combating hunger is the number one grantmaking priority for the Philip Morris family of companies. In 1999, we launched *The Philip Morris Fight Against Hunger*, a four-year \$100 million commitment of food and financial support. This program will provide \$50 million in cash contributions and \$50 million in food donations to leading hunger organizations in all 50 states. We realize that for a growing number of families and individuals, putting food on the table has become harder than ever before. And hunger, accompanied by the personal indignities that often follow, has a debilitating effect on society. As the nation's largest food company — through Kraft Foods — we are aware of the opportunity we have to use our resources in response to this most basic human need, and are committed to leading the fight against hunger.

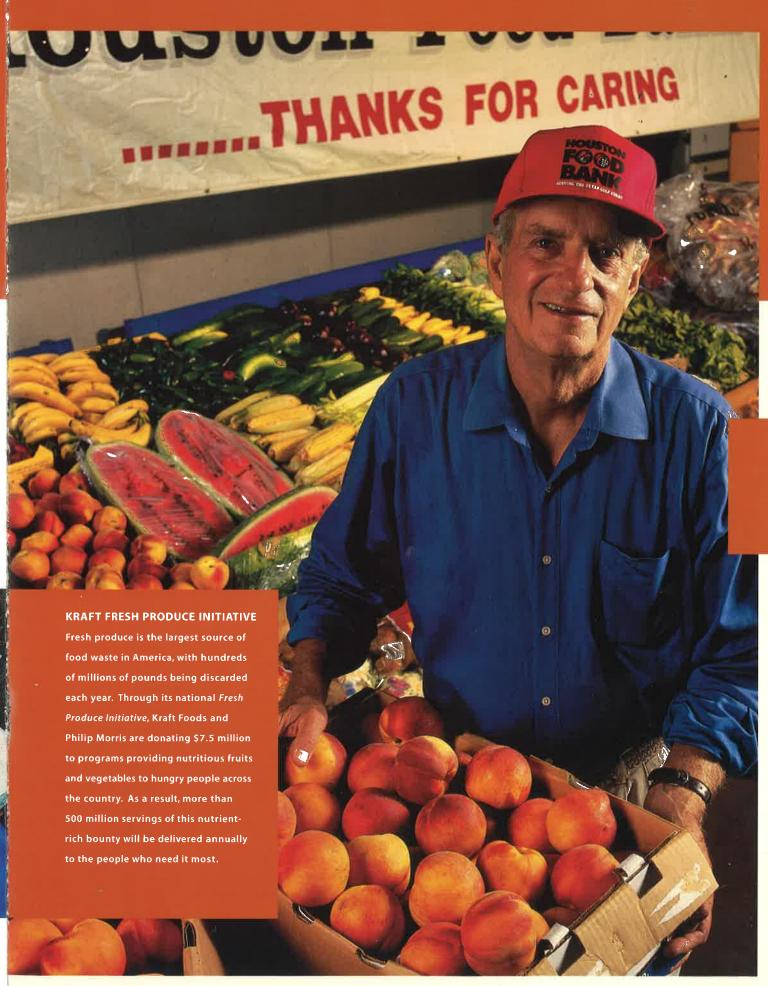
Together, the Philip Morris companies are the largest corporate funders of hunger-relief programs in the United States. Since 1990, we have contributed more than \$170 million in direct grants and food donations. These funds have allowed the *Kraft Fresh Produce Initiative* to help food banks recover millions of pounds of nutritious fruits and vegetables from wholesalers for needy people across the country. Through the initiative, organizations such as the Association of Arizona Food Banks have distributed more than 33 million pounds of food to more than 600 relief agencies statewide, including many on Native American reservations.

Philip Morris
has shown
real leadership
as the nation's
largest corporate
funder in the fight
against hunger.

John H. Morrill, Executive Director
 Congressional Hunger Center

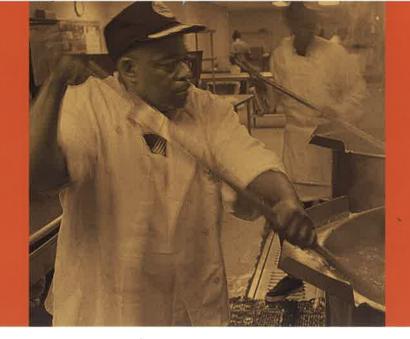


Top: Philip Morris supports hundreds of soup kitchens and emergency feeding programs. Above: Volunteers unload fresh vegetables at the North Coast Food Rescue Terminal in Cleveland, Ohio. Right: Warren Brice, a volunteer at the Houston Food Bank—one of the many programs supported by the Kraft Fresh Produce Initiative.









Miller's Fighting Hunger program, started in its home state of Wisconsin, is a model for private sector involvement in critical social issues. This award-winning program focuses on specific geographic areas and addresses the complexities of alleviating hunger through a combination of unique collaborations, financial contributions and applied research. In addition to direct donations to hunger-relief organizations, Fighting Hunger efforts include extensive information outreach, volunteer recruitment and recognition programs. The success of the Wisconsin model has led Miller to launch programs in Georgia, Texas and North Carolina — totalling more than \$1 million in donations to leading hunger-relief organizations.

The Philip Morris family of companies has also provided grants to numerous organizations overseas. Kraft Foods International's funding of the Cheltenham Open Door agency in the United Kingdom provides meals, shelter and clothing to impoverished people in the area. In Ecuador, Philip Morris International's contributions allowed hunger-relief agencies to quadruple the monthly food provision for hungry people in the city of Cuenca.

Philip Morris understands that the special needs of at-risk communities must be addressed. That's why we created *Helping the Helpers*, a national program comprised of different grantmaking initiatives. Each initiative funds a wide range of organizations that provide direct services to the hungry who have unique dietary needs or are particularly vulnerable, such as the elderly, the displaced, low-income families, victims of domestic violence and people living with HIV/AIDS.

For many individuals, especially the elderly and homeless, the assurance of a hot meal from a soup kitchen or a meals-

Providing fresh fruits and vegetables to food banks and shelters in the Chicago area will allow thousands of Illinois citizens to have nutritious meals when they might otherwise go

— George H. RyanGovernor of Illinois

hungry.

FIGHTING HUNGER

Miller Brewing's award-winning

Fighting Hunger program fosters

more effective delivery of services,
greater public/private partnerships
and increased public awareness of
hunger issues. Since its inception,
the program has been able to
provide more than one million
meals to the needy in five states.

Opposite: Ariel Rivera, a graduate of Foodchain's Community Kitchens program. Above: Trainees learning cooking skills at D.C. Central Kitchen in Washington. With Philip Morris' support, we have been able to take one thousand elderly shut-ins off our waiting list for food delivery — and now, these people receive warm,

Marcia Stein, Executive Director
 Citymeals-on-Wheels

hand-delivered

meals every day.

on-wheels program fills both physical and emotional needs. Along with the food comes a friendly smile and a helping hand. That is why organizations such as Holy Apostles Soup Kitchen, L.I.F.E. Center, Galveston County Seniors, and Citymeals-on-Wheels are so important. In New York City, a \$1 million Philip Morris grant allows Citymeals-on-Wheels to eliminate the waiting list of thousands of homebound elderly citizens, guaranteeing that they receive a hot meal and a visit every day. Our support for this organization is just one part of our *Senior Helpings* initiative that funds efforts to alleviate hunger among frail elderly people across America and in Bulgaria. Programs like these make a real difference in people's lives because they provide more than just food. They offer comfort, dignity and the security of knowing that someone cares.

We understand that fighting hunger also means addressing the causes that limit people's ability to provide for themselves. In Washington, D.C., the founders of D.C. Central Kitchen learned that while traditional food-provision programs help, they do little to break the cycle of poverty. So D.C. Central Kitchen developed a model in which food that would ordinarily be thrown away by hotels, restaurants and caterers is recovered and re-prepared by hundreds of unemployed people being trained each year for jobs in the food service industry. The trainees learn a trade while preparing nutritious meals for homeless men and women. Through a partnership with Foodchain — The National Food-Rescue Network, this innovative model evolved into Foodchain's Community Kitchens program. In 1998, a grant from Philip Morris enabled Foodchain's Community Kitchens to expand to 22 cities nationwide. Today, the program is a shining example of self-sufficiency, providing food for the body and nourishment for the mind.



Above left: Employees volunteering at the Westside Project in New York City. Above: A volunteer delivering food to homebound people living with HIV/AIDS through Projet Food in Paris, France. Above right: Rose Sassone, one of the many elderly clients who receive a daily food delivery through the National Meals on Wheels Foundation.



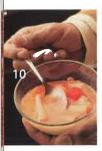
SENIOR HELPINGS

Many elderly people live shut in from the world. They have simple, yet special needs: easy access to nutritious meals and reassurance that they are not alone. That's why Philip Morris created its Senior Helpings initiative, a partnership with the National Meals on Wheels Foundation. Senior Helpings supports new approaches and expansion efforts to alleviate hunger among the home-bound elderly, delivering not just food, but friendship, and a reminder that someone cares.

AIDS

Another major focus of our hunger grantmaking is HIV/AIDS. Through our work with cultural organizations, we became aware of the tragic effects wrought by this disease on the arts community. In response, we mobilized our grantmaking efforts and were one of the first corporations to respond to the call for support in the fight against HIV/AIDS. Today, we remain one of its largest corporate sponsors.

After nearly two decades, the spread of HIV/AIDS continues to have a devastating impact on people in the United States and around the world. The need for services that promote health and ease suffering remains as critical as ever. Among these are programs that help individuals living with HIV/AIDS maintain nutritional well-being. Eating well can be a significant challenge, since many people are too poor to afford healthy food, too weak to visit the grocery store or too sick to prepare nutritious meals themselves. It is in the face of these challenges that our HIV/AIDS program was established.





to get away from the daily troubles of AIDS. Miller Brewing was

In the United States, Philip Morris developed the Positive

Helpings program as a unique grantmaking component of our overall Hunger program. For example, our support of Project

Angel Food provides 3,000 free meals a year to women and people of color in the Los Angeles area. Through Philip Morris' support of the Groceries to Go program, Food & Friends delivers

to get away from the daily troubles of AIDS. Miller Brewing was supportive of the camp before the program even had a name.

 Neil Willenson, Founder and President, Camp Heartland

Children with

HIV come to

Camp Heartland

Overseas, Philip Morris International supports numerous programs dedicated to helping alleviate hunger problems in the HIV/AIDS community. Among these is Projet Food, an organization in Paris that provides food and nutritional counseling to HIV/AIDS patients. With Philip Morris' help, Projet Food has been able to more than double the number of clients it feeds every day.

hundreds of bags of groceries in Washington, D.C. And with our support, volunteers at God's Love We Deliver in New York City

prepare and deliver much-needed meals to homebound men

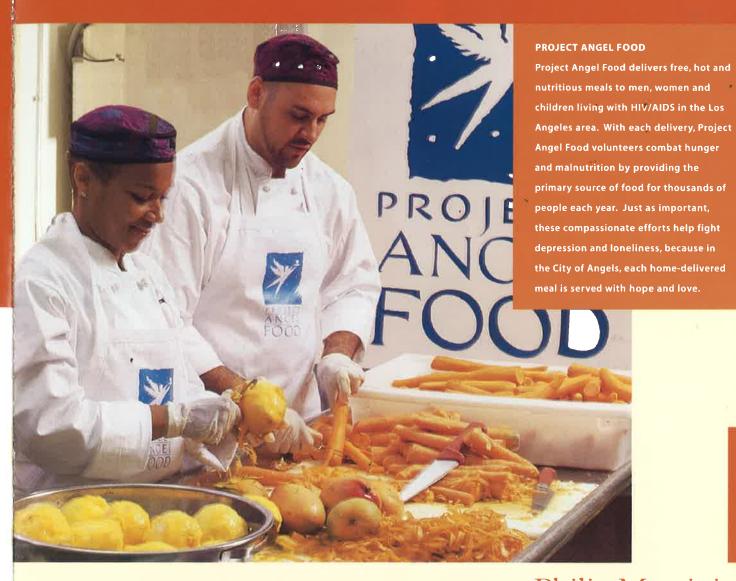
and women.

In addition to our hunger-related AIDS programs, Miller Brewing has forged a partnership with a unique nonprofit organization, Camp Heartland. The camp is dedicated to helping children infected with or affected by HIV/AIDS by providing recreational opportunities, support and education. Through week-long camp sessions, the children are able to make friends, have fun and gain acceptance to overcome the isolation and misunderstanding they so often face because of this illness.

Philip Morris understands that AIDS does not discriminate, and that those infected include our employees, relatives and friends. Our involvement in the fight against AIDS has led to important collaborations that improve the quality of life for



In 1996, Philip Morris created its *Positive Helpings* program in partnership with the National AIDS Fund. This is a national initiative designed to directly address one of the most devastating effects of AIDS: the body's difficulty to absorb and utilize nutrients, resulting in malnutrition and severe weight loss. *Positive Helpings* responds to the changing landscape of AIDS treatment and provides grants to organizations that focus on the unique nutritional needs of people living with HIV/AIDS.



people living with this disease. Primarily through hungerrelated programs, our AIDS funding strives to maintain the caring and precious hope that are so desperately needed , . by families living with this disease.

Whatever its root cause, hunger remains a painful reality for far too many families around the world. All of us at Philip Morris understand that hunger respects no boundaries. It knows no limits. We are privileged to support the work of dedicated organizations whose compassion and commitment also know no bounds. From a small food pantry in a church basement in Milwaukee to a food-gleaning project in 'Appalachia, from Citymeals-on-Wheels in New York to a families-at-risk food program in Lithuania, these groups have worked tirelessly to end the cycle of poverty. We are inspired by their efforts. Moreover, we are hopeful that because of them, we may one day live in a world where widespread hunger is a distant memory.

Philip Morris is our foremost corporate partner — they have expressed an abiding commitment to fighting hunger in the HIV community.

Craig Shniderman, Executive Director
 Food & Friends

Opposite, top: Child and counselor participating in the Miller Brewing Company-funded Camp Heartland. Above: Volunteers preparing food for delivery at Project Angel Food in Los Angeles arbara Oudeusden of The First Presbyterian Church of Yorktown Heights, New York, has said that she's "so glad to have gotten to know Philip Morris and all the wonderful things the company has done. It restores one's faith and is refreshing to see that a large company can have such a direct and immediate effect on the problems facing so many people." Stan Curtis, founder of Kentucky Harvest and U.S.A. Harvest, feels that he "cannot overstate the important role that Philip Morris has played in the organization's growth and success over the years. From the financial contributions to the incredible food drives implemented by the employees, Philip Morris has always been there."

The personal feelings of people like Ms. Oudeusden and Mr. Curtis speak volumes about the impact our corporate contributions have been having on people's lives for more than 40 years. We hope these stories help illustrate Philip Morris' long-standing, deeply-held commitment to meeting undeniable human needs in communities across the country and around the world.

As we have shown, the clearest demonstration of our corporate beliefs is in our grantmaking. Our commitment to fight hunger is inspired by Kraft's position as the nation's largest food company. Our leadership in the effort to end domestic violence stems from our first-hand awareness of it in the workplace. Our groundbreaking commitment to the arts reflects our understanding that, along with the mind and body, the human spirit must also be nurtured. And the agricultural basis of our companies' products makes us keenly aware of our dependence on the environment and its precious natural resources. These are just a few of the reasons why the Philip Morris family of companies has one of the most generous corporate giving programs in the world.

As a global company, we strive to respond to global concerns on an individual and personal level. Perhaps Connie Chestnut of Milwaukee summed it up best when she said: "I would like to thank Philip Morris for caring. Thank you for bridging the gap between big business and real people."

We would like Connie Chestnut and everyone else to know that we will continue to lend a helping hand to families and neighbors in need. It is a promise we have steadfastly kept for more than four decades. And it is one that we will continue to keep for decades — and generations — to come.

When caring people like those at Philip Morris support us, we feel totally rejuvenated.

Joseph Marmora, Executive Director
 Interfaith Neighbors, Inc.

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Corporate Contributions program, please
call us toll free at (800) 883-2422, or write to:

Philip Morris Companies Inc. Corporate Contributions 120 Park Avenue, 17th Floor New York, NY 10017

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