

Phillip Morris Break out Session Notes

5:00 p.m. - All guests were directed to a reception table downstairs of the Bryant Conference center to check in and get nametags. Once again the same recruitment materials were passed out to each applicant. They then were ushered to the upstairs to the meet and greet.

Upstairs at the meet and greet there was an assortment of refreshments and food available. There were about 15 applicants talking to around 10-12 recruiters. There were 3 minority recruiters, 2 of them women, one male. After preliminary introductions all applicants were then taken back downstairs into the main conference room.

6:00 p.m. - The main room was decorated from front to back with University of Alabama memorabilia. The Alabama fight song was played as applicants walked through a corridor which was strewn with balloons and recruiters clapping and cheering applicants to their seats. On either side of the stage were two huge signs. One with the Phillip Morris insignia on it, and the other with the slogan "can't beat the experience". Alabama pens were passed out and every so often an attaché case was passed out for volunteers who answered a few trivia questions. In front on the wall was a huge projection screen which a PowerPoint presentation was conducted on.

PowerPoint- The position being recruited for was the TSM position or territory sales manager. In the slides there were outlined the essentials of Philip Morris

Our company

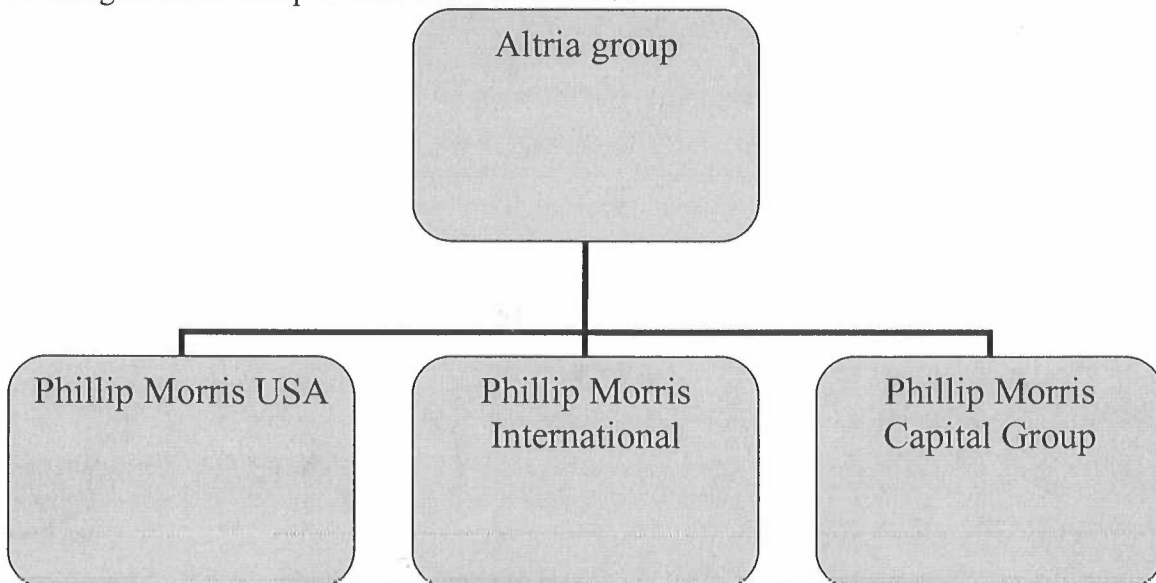
Our people

Our offer

Our future

Our promise

A background of Philip Morris was then outlined



Altria is the parent company that owns Philip Morris USA and Philip Morris International. These two companies are responsible for cigarettes. Kraft which was a part of the Altria group has since been spun off into its own company. Phillip Morris Capital Corporation is the third company of the Altria group. It is an investment group which

owns 43% of the South African Brewing Company which is the parent company of the brand Miller Lite.

The next slide was a breakdown of the financial reports for Altria

	2006	Full year 06 change vs. 05
Altria Revenue	101.4 Billion	+3.6%
Altria commercial Investment	18.16	+4.4%
A Profit	12	+1.1%
Earnings per share	5.71	unavailable

The next slide was a list of the top companies in the world and their rankings in the fortune 500

Phillip Morris was 8th in profit, 10th in revenue

Wal-mart had 350 billion in revenue but only had 11.33 billion in profit

Phillip Morris USA had net revenue of 18.1 Billion. %dif vs. 2005 +.6%

The next slide showed the different products and their market shares of PM USA

The four brands were Basic, Marlboro, Parliament and Virginia Slims.

PM has 50% of the market share with Marlboro at the center and the base product for PM.

The next slide showed future projections for the marketability of cigarettes

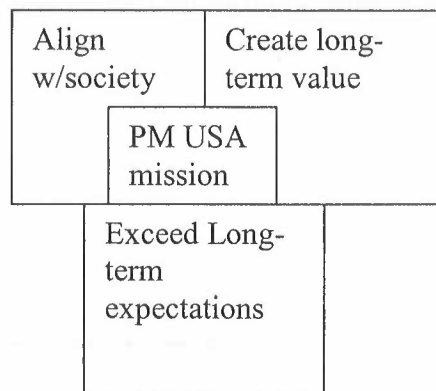
There was an average decline of 1.5% over ten years

But in 20 years PM will still generate 14.1 Billion in sales

Which is more than Anheiser Busch, Eli Lilly, and Nike combined.

The moderator then went into an explanation about where PM sees the future of its company. Eventually PM will move into selling another product, but until then cigarettes are number one priority.

The next few slides outlined the structure of the company and how employees and managers fit into the scheme of things



Managers must understand that PM sells products that cause harm

The next slides revealed 4 key elements for PM

- reduce youth smoking
- support reasonable reg.
- reduce environmental impact
- comply with legal & reg. requirements

Within these 4 key elements there are characteristics a PM employee must exemplify
 Integrity, Trust, Respect- associated with knowing who you are
 Passion- associated with providing direction
 Driving creativity- Allocate resources
 Sharing with others- build ind. & org. capacity
 "BIOC"- Building internal organizational cooperation
 All these things need to be executed w/quality

The next slide was about Training

Sales leadership dev. System. It is a system of movement from bottom to top.

Key Jobs

RVP

SSD

DM

VM

TSM- All employees must start here

The structure for movement is as follows with an integration of training programs and retreats and seminars

Foundations- All positions must attend this program for each level of management→ In-field training→ Leadership training camp→ sales leadership forum, and then the cycle repeats itself as you move through the different levels of management.

The next slide was about the benefits of the TSM position

45K-55K for 1st year

Incentive comp. up to 7,000

Med/den/vis/life/ insurance, vacation and family coverage

Company car

Com/printer

Cell phone

The next slide predicts the future of PM

A mission statement was posted "Adjacency a move into a complementary product or process that utilizes core infrastructure elements. It should be noted that Marlboro cigarettes is the "core" element that is being described.

A new test product was then revealed called taboka. A smokeless tobacco pouch marketed for "morning risers".

A new 300 million dollar center for research and technology is being built in Virginia.

PM wants to add value, be competitive, development, and opportunity.

The mission statement was again show on the screen

6:30 p.m. - at this time individual recruiters stood up and described their individual positions and what they did to achieve their status and questions were funneled from the applicants

A question was asked, "what is PM doing from the market share loss due to anti-smoking relapse?" the answer was that PM does not try to win back customers who have quit smoking but works on customer satisfaction of the ones they still retain.

Another question was asked, "How do you maintain a personal relationship with your market when you have 130 or clients to deal with at the TSM position? The answer was that you must have "Authenticity" you must "work around" your client's needs and wants, and you must "find what makes them tic"

7:30 p.m. - The session was then concluded and those who wished to stay and ask more questions were invited to. There were pre-screening interviews on Thursday-and Friday and then a final panel dinner interview for the last session of applicants. Unfortunately due to travel and time restrictions no information was able to be obtained from either session.