

COMMONWEALTH OF VIRGINIA
Office of the Governor

Timothy M. Kaine
Governor

FOR IMMEDIATE RELEASE
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**GOVERNOR KAINE AND PHILIP MORRIS USA ANNOUNCE
UNIQUE VIRGINIA ENVIRONMENTAL PROJECT**

~ Natural Treatment System to Reduce Nutrients Discharged into James River ~

RICHMOND – Governor Timothy M. Kaine joined executives from Philip Morris USA today to announce an innovative, \$6 million project aimed at further reducing nutrient levels in wastewater discharged into the James River from the company’s Park 500 tobacco processing facility in Chesterfield County.

Over the next year, PM USA, in partnership with CH2M Hill, a Denver-based construction and engineering firm, will design, build and activate the Park 500 Natural Treatment System, 48-acres of man-made wetlands consisting of ponds and native vegetation. The system will supplement an existing on-site treatment plant, providing an additional, natural filter for treated wastewater before it returns to the river.

Between 2001 and 2006, PM USA has succeeded in voluntarily reducing total nitrogen loadings to the James River by 46 percent by evaluating and instituting operational changes to the Park 500 facility's wastewater treatment plant. By flowing wastewater through the Natural Treatment System before discharge, PM USA estimates additional reductions of about 13 percent for nitrogen levels and 34 percent for phosphorus levels, based on an initial study by CH2M Hill. The Park 500 Natural Treatment System is projected to be the largest such project in Virginia.

“This is an exciting announcement for Virginia’s environment, and I appreciate Philip Morris’ decision to apply this new technology to help better manage our natural resources,” Governor Kaine said. “This represents an innovative and proactive approach by a corporate citizen to respond to the complex problem of nitrogen discharge into our waterways.”

When the Natural Treatment System is completed in the summer of 2008, treated wastewater will slowly cascade through a series of ponds interspersed with native trees and shrubs. Plant life and natural microbes will break down nutrients in wastewater before it finally reaches the river. Nearly 1.8 million gallons of treated wastewater a day will nourish the 48-acre wetlands; the wetlands will filter the wastewater, further cleansing it of nutrients.

“The Park 500 Natural Treatment System underscores our company’s commitment to reducing our environmental impact,” said Mike Szymanczyk, Chairman and CEO for PM USA. “We meet this challenge by proactively seeking innovative approaches, talking with stakeholders and making investments for our future and the Commonwealth’s future.”

Given the importance of the James River and the Chesapeake Bay to this area, over the past 12 months, PM USA consulted with the Secretary of Natural Resources, the Virginia Department of Environmental Quality, environmental advocates, educators, Chesterfield County officials and neighbors from the Bermuda Hundred community throughout the planning for the Natural Treatment System project.

Park 500 reconstitutes loose tobacco into tobacco sheets for manufacturing. Water used in the process collects substances such as nitrogen and phosphorous, nutrients which occur naturally in agricultural products like tobacco. According to the Environmental Protection Agency and other experts, excessive levels of these nutrients in water eco-systems can cause algae blooms and other adverse impacts on aquatic life, impairing healthy rivers and bays.

About Philip Morris USA

Philip Morris USA (PM USA), a part of Altria Group, Inc., is the leading cigarette manufacturer in the U.S. Our core business is manufacturing and marketing the best quality tobacco products to adults who use them. Our brands include Marlboro, Virginia Slims, Basic, and Parliament.

Note to Media

A video package including footage from today's event will be available after 2:30 p.m. You may contact PM USA media affairs at (804) 484-8897 for access to download a broadcast-quality file.

Additionally, you can locate the satellite feed at the following coordinates:

PM USA
July 17, 2007
1430 to 1500 EDT

Galaxy 11 Ku Digital Transponder 19 Slot 1
Downlink Frequency: 12065 MHz.
Downlink Polarity: Horizontal
Symbol Rate: 3.978723
Data Rate: 5.5
FEC: 3/4
Technical Support: (917) 747-3554

Galaxy 26 C-band Analog Transponder 24 (Formerly known as IA 6 C)
Downlink Frequency: 4180 MHz.
Downlink Polarity: Horizontal
Audio: 6.2 and 6.8
Technical Support: (917) 747-3554