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## Altria Group, Inc. Q3 2008 Earnings Call Transcript

### Earnings Call Excerpt

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Altria Group, Inc. (MO)

Q3 2008 Earnings Call

October 23, 2008 9:00 am ET

#### **Executives**

Clifford B. Fleet – Vice President, Investor Relations

Michael Szymanczyk – Chairman and Chief Executive Officer

David R. Beran – Executive Vice President and Chief Financial Officer

#### **Analysts**

David Adelman - Morgan Stanley

Judy Hong - Goldman Sachs

Nik Modi - UBS

Adam Spielman - Citigroup

Ann Gurkin - Davenport

Erik Bloomquist – JP Morgan

[Keela Reed] – Credit Suisse

Thomas Russo – Gardner Russo

[Chris Burrett] – Bloomberg News

#### **Presentation**

#### **Operator**

Welcome to the Altria Group third quarter 2008 earnings conference call. Today's call is scheduled to last about one hour including remarks by Altria's management and a question-and-answer session. (Operator Instructions)

I would now like to turn the call over to Mr. Cliff Fleet, Vice President Investor Relations for Altria Client Services.

**Clifford Fleet**

Good morning and thank you for joining our call. This morning we will provide an update on the status of the agreement for the proposed acquisition of UST and discuss Altria's third quarter business result. We will not be discussing the status of litigation.

Our remarks contain forward-looking statements and projections of future results and I direct you to forward-looking and cautionary statement at the end of our earnings release for review of the various factors that could cause actual results to differ materially from projections.

I also encourage you to read other important information about the proposed acquisition of the proposed acquisition of Altria in this morning's press release in the section entitled "Other Information." As a result of the completion of the spin-off of Philip Morris International, our reported results reflect PMI as a discontinued operation for the third quarter of 2007 and revenues and operating company's income for PMI are therefore excluded from Altria's continuing results.

For a detailed review of Altria's third quarter business results, please review the earnings release that is available on our website, [www.altria.com](http://www.altria.com).

Now it gives me great pleasure to introduce Michael Szymanczyk, Chairman and Chief Executive Officer of Altria Group.

**Michael Szymanczyk**

Thanks very much Cliff. Good morning to everyone. Before we get to Altria's third quarter business results, I would like to first update you on the status of the proposed acquisition of UST.

Altria has fully committed financing to complete the transaction given the current volatile credit markets the total financing charges to close the transaction will be higher than originally anticipated but Altria doesn't expect this to have a material impact on the financial return of the transaction. However, until Altria completes its long-term financing for the transaction it will be difficult to predict that the UST acquisition will be accretive to Altria's adjusted diluted earnings per share within 12 months of closing as was initially anticipated.

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