

ALTRIA GROUP, INC.

Form 424B2

December 18, 2008

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The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This prospectus supplement relates to an effective registration statement under the Securities Act of 1933. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities nor do they seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**Filed Pursuant to Rule 424(b)(2)
Registration Statement No. 333-155009**

Subject to Completion, dated December 18, 2008

Prospectus Supplement to Prospectus dated November 4, 2008

Altria Group, Inc.

\$ % Notes due

Guaranteed by

Philip Morris USA Inc.

We will pay interest on the notes on _____ and _____ of each year, beginning _____, 2009. Interest on the notes will be subject to adjustment upon the occurrence of the events discussed under the caption Description of Notes Interest Rate Adjustment. We may not redeem the notes prior to maturity unless specified events occur involving United States federal income taxation. See Description of Notes Redemption for Tax Reasons. If we experience a change of control triggering event with respect to the notes, we will be required to offer to repurchase the notes from holders at 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. See Description of Notes Repurchase Upon Change of Control Triggering Event. The notes will mature on _____, _____.

The notes will be senior unsecured obligations of Altria Group, Inc. and will rank equally with all of its other existing and future senior unsecured indebtedness. The notes will be guaranteed by our wholly-owned subsidiary, Philip Morris USA Inc. The guarantee will rank equally with all of Philip Morris USA Inc.'s existing and future senior unsecured indebtedness and guarantees from time to time outstanding. The notes will be denominated in U.S. dollars and issued only in denominations of \$2,000 and integral multiples of \$1,000.

Investing in the notes involves risks. See Risk Factors beginning on page S-9 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement or the attached prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Public Offering Price	Underwriting Discount	Proceeds to Us (before expenses)
Per % Note due	%	%	%

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Total \$ \$ \$

The initial public offering prices set forth above do not include accrued interest. Interest will accrue from , 2008.

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company, including its participants Clearstream Banking, *société anonyme*, Luxembourg or Euroclear Bank S.A./N.V., as operator of the Euroclear System, against payment in New York, New York on or about , 2008.

Book-Running Manager

Barclays Capital

Prospectus Supplement dated December , 2008

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, any related free writing prospectus and the attached prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. If the information varies between this prospectus supplement and the attached prospectus, the information in this prospectus supplement supersedes the information in the attached prospectus. We are not making an offer of these securities in any jurisdiction where the offer or sale is not permitted. Neither the delivery of this prospectus supplement, any related free writing prospectus or the attached prospectus, nor any sale made hereunder and thereunder, shall under any circumstances create any implication that there has been no change in our affairs

since the date of this prospectus supplement, any related free writing prospectus or the attached prospectus, regardless of the time of delivery of such document or any sale of the securities offered hereby or thereby, or that the information contained or incorporated by reference herein or therein is correct as of any time subsequent to the date of such information.

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The distribution of this prospectus supplement and the attached prospectus and the offering or sale of the notes in some jurisdictions may be restricted by law. The notes are offered globally for sale in those jurisdictions in the United States, Europe, Asia and elsewhere where it is lawful to make such offers. Persons into whose possession this prospectus supplement and the attached prospectus come are required by us and the underwriters to inform themselves about, and to observe, any applicable restrictions. This prospectus supplement and the attached prospectus may not be used for or in connection with an offer or solicitation by any person in any jurisdiction in which that offer or solicitation is not authorized or to any person to whom it is unlawful to make that offer or solicitation. See **Offering Restrictions** in this prospectus supplement.

This prospectus supplement and the attached prospectus have been prepared on the basis that any offer of notes in any Member State of the European Economic Area that has implemented the Prospectus Directive (2003/71/EC) (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of notes. Accordingly, any person making or intending to make an offer of notes within the European Economic Area may only do so in circumstances in which no obligation arises for us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized, nor do we nor they authorize, the making of any offer of notes in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer.

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement contains the terms of this offering of notes. This prospectus supplement, or the information incorporated by reference, may add, update or change information in the attached prospectus. If information in this prospectus supplement, or the information incorporated by reference in this prospectus supplement, is inconsistent with the attached prospectus, this prospectus supplement, or the information incorporated by reference in this prospectus supplement, will apply and will supersede that information in the attached prospectus.

It is important for you to read and consider all information contained in this prospectus supplement, the attached prospectus and any related free writing prospectus in making your investment decision. You should also read and consider the information in the documents we have referred you to under **Incorporation of Certain Documents by Reference** in this prospectus supplement and under **Where You Can Find More Information** in the attached prospectus.

Trademarks and servicemarks in this prospectus supplement and the attached prospectus appear in bold italic type and are the property of or licensed by our subsidiaries.

References in this prospectus to **Altria**, the company, **we**, **us** and **our** refer to Altria Group, Inc. and its subsidiaries, unless otherwise specified unless otherwise required. References to **PM USA** refer to Philip Morris USA Inc., a wholly-owned subsidiary of Altria.

References in this prospectus supplement to **\$**, **dollars** and **U.S. dollars** are to United States dollars, and all financial data included or incorporated by reference in this prospectus supplement have been presented in accordance with accounting principles generally accepted in the United States of America.

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FORWARD-LOOKING AND CAUTIONARY STATEMENTS

Some of the information included or incorporated by reference in this prospectus supplement and the attached prospectus contains forward-looking statements. You can identify these forward-looking statements by the use of words such as strategy, expects, continues, plans, anticipates, believes, will, estimates, intends, projects, goals, targets and other words of similar meaning. You can also identify them that they do not relate strictly to historical or current facts.

We cannot guarantee that any forward-looking statement will be realized, although we believe we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. You should bear this in mind as you consider forward-looking statements and whether to invest in the notes. In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, we have identified important factors in this prospectus supplement and in the documents incorporated by reference that, individually or in the aggregate, could cause actual results and outcomes to differ materially from those contained in any forward-looking statements made by us; any such statement is qualified by reference to these cautionary statements. We elaborate on these and other risks we face in the documents incorporated by reference. You should understand that it is not possible to predict or identify all risk factors. Consequently, you should not consider the risks discussed in the prospectus supplement and the documents incorporated by reference to be a complete discussion of all potential risks or uncertainties. We do not undertake to update any forward-looking statement that we may make from time to time except in the normal course of our public disclosure obligations.

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SUMMARY

The Company

We are a Virginia holding company incorporated in 1985. Our wholly-owned subsidiaries include Philip Morris USA Inc., or PM USA, which is engaged in the manufacture and sale of cigarettes and other tobacco products in the United States, and John Middleton Co., or Middleton, which is engaged in the manufacture and sale of machine-made large cigars and pipe tobacco. The brand portfolio of our tobacco operating companies includes such well-known names as **Marlboro**, **Parliament**, **Virginia Slims**, **Basic** (each in the United States and its possessions and territories) and **Black & Mild**. Philip Morris Capital Corporation, another wholly-owned subsidiary, maintains a portfolio of leveraged and direct finance leases. In addition, we held a 28.5% economic and voting interest in SABMiller plc at September 30, 2008.

Our principal executive offices are located at 6601 West Broad Street, Richmond, Virginia 23230, our telephone number is (804) 274-2200 and our website is www.altria.com. The information contained in, or that can be accessed through, our website is not a part of this prospectus supplement.

Recent Developments

November Offering

On November 10, 2008, we issued and sold \$6.0 billion aggregate principal amount of notes, consisting of \$1.4 billion aggregate principal amount of our 8.50% notes due 2013, \$3.1 billion aggregate principal amount of our 9.70% notes due 2018 and \$1.5 billion aggregate principal amount of our 9.95% notes due 2038. This notes issuance is referred to in this prospectus supplement as the November offering. The notes issued and sold in the November offering are guaranteed by PM USA.

As a result of the November offering, commitments under our former 364-day bridge loan agreement were reduced by the full \$4.0 billion of such commitments and commitments under our new committed 364-day bridge loan facility were reduced by an amount equal to \$1.92 billion, the amount the net proceeds (after expenses) from the November offering exceeded \$4.0 billion. See [New 364-Day Bridge Loan Facility](#) and [Former 364-Day Bridge Loan Agreement](#) below.

Proposed Acquisition of UST Inc.

On September 7, 2008, we entered into a definitive agreement with UST Inc., or UST, for us to acquire all of the outstanding shares of common stock of UST. We refer to this transaction in this prospectus supplement as our proposed acquisition of UST. Under the terms of the agreement and plan of merger with UST, our indirect wholly-owned merger subsidiary will be merged with and into UST, with UST surviving as our indirect wholly-owned subsidiary.

In connection with the merger, each outstanding share of UST's common stock, other than those held by Altria, UST or our merger subsidiary, and other than those shares with respect to which appraisal rights are properly exercised and not withdrawn, will be converted into the right to receive \$69.50 in cash, or the per share merger consideration, without interest. Each option to purchase UST's common stock that is outstanding and unexercised immediately prior to the effective time of the merger will be cancelled in exchange for the right to receive the difference between the exercise price for such option and the per share merger consideration, less applicable taxes required to be withheld. The transaction is valued at approximately \$11.7 billion, which includes the assumption of approximately \$1.3 billion of UST's outstanding indebtedness.

On October 2, 2008, we, our merger subsidiary and UST entered into an amendment to the merger agreement. The amendment permits us, at our sole discretion, to delay the closing of the merger to a date no later

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than January 7, 2009, even if all closing conditions are satisfied or waived prior to such date. Our lenders have advised us that it would be preferable to close the transaction in 2009. On December 5, 2008, we sent notice to UST exercising our right to extend the closing to a date no later than January 7, 2009. We have agreed to increase the termination fee that we may be obligated to pay UST from \$200 million to \$300 million. The amendment did not, however, change the circumstances under which the termination fee we may be obligated to pay UST is payable.

On December 4, 2008, at a special shareholders meeting, UST's shareholders approved the merger. The completion of the merger is subject to certain customary closing conditions.

We intend to use (1) the net proceeds from this offering, (2) the net proceeds from the November offering and (3) borrowings under our new committed 364-day bridge loan facility to fund the consideration to be paid in connection with our proposed acquisition of UST. Although the completion of our proposed acquisition of UST is subject to certain conditions, this offering is not conditioned upon the completion of our proposed acquisition of UST. For more information, see "Use of Proceeds."

New 364-Day Bridge Loan Facility

On September 7, 2008, in connection with our proposed acquisition of UST, we entered into a commitment letter pursuant to which JPMorgan Chase Bank, N.A., Goldman Sachs Credit Partners L.P. and Goldman Sachs Bank USA, or the initial lenders, have committed to provide a portion of the financing for the transactions contemplated by the merger agreement. The commitment letter provides that the initial lenders will provide up to \$7.0 billion under a senior 364-day bridge loan facility, or the new 364-day bridge loan facility. The commitment is subject to various conditions, including no material adverse change having occurred in our financial condition or operations; no Company Material Adverse Effect (as defined in the merger agreement) having occurred that would permit us not to complete our proposed acquisition of UST; the negotiation and execution of definitive documentation with respect to the new 364-day bridge loan facility satisfactory to the initial lenders; and other closing conditions. We expect to enter into a definitive agreement for the new 364-day bridge loan facility prior to the completion of our proposed acquisition of UST. The commitment letter for our new 364-day bridge loan facility requires that commitments under such facility be reduced by an amount equal to 100% of the net proceeds from any specified capital markets financing transaction (such as the November offering and this offering) in excess of \$4.0 billion. As a result of the November offering, commitments under our new 364-day bridge loan facility were reduced by \$1.92 billion, the amount the net proceeds (after expenses) from the November offering exceeded \$4.0 billion. These commitments will be further reduced by an amount equal to the net proceeds (after expenses) from this offering.

Former 364-Day Bridge Loan Agreement

On January 28, 2008, we entered into a 364-day bridge loan agreement, or the former 364-day bridge loan agreement, that provided for borrowings up to an aggregate principal amount of \$4.0 billion. Borrowings under our existing 364-day bridge loan agreement could have been used for general corporate purposes, including the financing of a portion of the consideration to be paid in connection with our proposed acquisition of UST, if necessary. Our former 364-day bridge loan agreement required that commitments under such agreement be reduced by an amount equal to 100% of the net proceeds from any specified capital markets financing transaction (such as the November offering and this offering) up to the full \$4.0 billion of such commitments. As a result of the November offering, commitments under our former 364-day bridge loan agreement were reduced by the full \$4.0 billion of such commitments and the agreement expired in accordance with its terms.

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PMI Spin-Off

On March 28, 2008, we distributed all of our interest in Philip Morris International Inc., or PMI, to our stockholders of record as of the close of business on March 19, 2008, in a tax-free distribution. We distributed one share of PMI common stock for every share of our common stock outstanding as of March 19, 2008. Following the spin-off, we do not own any shares of PMI stock.

Good Litigation

On December 15, 2008, the United States Supreme Court ruled in *Altria Group, Inc. v. Good* that a lawsuit involving lights cigarettes brought under the Maine Unfair Trade Practices Act was not barred by federal law. In its decision, the Supreme Court said that the plaintiffs still had to prove at trial that the companies' use of lights and lowered tar descriptors violated state law. The Supreme Court did not address the merits of the claims or whether the lights cases should be certified as class actions.

Rose Litigation

On December 16, 2008, the New York Court of Appeals in *Adamo v. Brown & Williamson* (formerly known as *Rose v. Brown & Williamson*) affirmed an earlier appellate court decision that reversed a jury's verdict and directed the entry of judgment in favor of PM USA. The reversed jury's verdict had awarded plaintiff \$3.42 million in compensatory damages and \$17.1 million in punitive damages.

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The Offering

The following summary contains basic information about the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more detailed description of the notes and the subsidiary guarantee, please refer to the section entitled "Description of Notes" in this prospectus supplement and the sections entitled "Description of Debt Securities" and "Description of Guarantees of Debt Securities" in the attached prospectus.

Issuer	Altria Group, Inc.
Securities Offered	\$ _____ principal amount of _____ % notes due _____, maturing _____, _____.
Interest Rates	The notes _____ will bear interest from _____, _____ at the rate of _____ % per annum.
Interest Payment Dates	_____ and _____ of each year, beginning on _____, 2009.
Interest Rate Adjustment	The interest rate payable on the notes will be subject to adjustment from time to time if the rating assigned to the notes by Moody's Investors Service, Inc., or Moody's, or Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or S&P, is downgraded (or subsequently upgraded) as described under "Description of Notes" Interest Rate Adjustment.
Anticipated Ratings of the Notes* S&P: _____ BBB	Moody's: _____ Baa1
	Fitch Ratings: _____ BBB+
Ranking	The notes will be our senior unsecured obligations. Accordingly, they will rank: <p>equal in right of payment to all of our existing and future senior unsecured indebtedness;</p> <p>effectively subordinate to all of our future secured indebtedness, if any, to the extent of the value of the assets securing that indebtedness;</p> <p>effectively subordinate to all existing and future indebtedness and other liabilities of our non-guarantor subsidiaries, if any (other than indebtedness and liabilities owed to us); and</p>

senior in right of payment to all of our future subordinated indebtedness, if any.

Subsidiary Guarantee

The notes will be guaranteed on a senior unsecured basis by our wholly-owned subsidiary, PM USA. The guarantees will rank:

equal in right of payment to all of PM USA's existing and future senior unsecured indebtedness and guarantees;

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effectively subordinate to all of PM USA's future secured indebtedness, if any, to the extent of the value of the assets securing such indebtedness; and

senior in right of payment to all of PM USA's future subordinated indebtedness, if any.

Under certain circumstances, PM USA's guarantee of the notes will be released. See [Risk Factors](#) [Risks Related to the Offering](#) Under certain circumstances, PM USA's guarantee of the notes will be released.

Repurchase at the Option of Holders upon Change of Control Triggering Event If a change of control triggering event (as defined in [Description of Notes](#) [Repurchase upon Change of Control Triggering Event](#)) occurs, we will be required to make an offer to purchase the notes at a purchase price of 101% of the aggregate principal amount of the notes, plus accrued and unpaid interest, if any, to the date of repurchase. See [Description of Notes](#) [Repurchase Upon Change of Control Triggering Event](#).

Optional Tax Redemption We may redeem all, but not part, of the notes upon the occurrence of specified tax events described under [Description of Notes](#) [Redemption for Tax Reasons](#).

Covenants We will issue the notes under an indenture containing covenants that restrict our ability, with significant exceptions, to:

incur debt secured by liens; and

engage in sale and leaseback transactions.

Use of Proceeds We intend to use the net proceeds (before expenses) of approximately \$ to fund a portion of the consideration in connection with our proposed acquisition of UST. If we do not complete our proposed acquisition of UST for any reason, we intend to use net proceeds from this offering for general corporate purposes. This offering is not conditioned upon the completion of our proposed acquisition of UST. See [The Company](#) [Recent Developments](#) [Proposed Acquisition of UST Inc.](#) and [Use of Proceeds](#).

No Listing We do not intend to list the notes on any securities exchange or to include them in any automated quotation system. The notes will be new securities for which there is currently no public market. See [Risk Factors](#) [Risks Related to the Offering](#) There is no public market for the notes, which could limit their market price or your ability to sell them.

Clearance and Settlement The notes will be cleared through The Depository Trust Company, including its participants Clearstream and Euroclear.

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Governing Law	State of New York.
Risk Factors	Investing in the notes involves risks. See Risk Factors beginning on page S-8 for a discussion of the factors you should consider carefully before deciding to invest in the notes.
Trustee	Deutsche Bank Trust Company Americas.

* Ratings are not a recommendation to purchase, hold or sell the notes, inasmuch as the ratings do not comment as to market price or suitability for a particular investor. The ratings are based on current information furnished to the rating agencies by us and information obtained by the rating agencies from other sources. The ratings are only accurate as of the date of this prospectus supplement and may be changed, superseded or withdrawn as a result of changes in, or unavailability of, such information, and, therefore, a prospective purchaser should check the current ratings before purchasing the notes.

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RISK FACTORS

An investment in the notes involves risks, including risks inherent in our business. You should carefully consider the following factors as well as other information contained or incorporated by reference in this prospectus supplement before deciding to invest in the notes, including the factors listed under "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2007 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2008, June 30, 2008 and September 30, 2008, which Annual Report on Form 10-K and Quarterly Reports on Form 10-Q are incorporated by reference in this prospectus supplement.

Risks Related to Our Proposed Acquisition of UST

We may not be able to integrate UST successfully into our business.

There can be no assurance that the conditions to the completion of our proposed acquisition of UST will be satisfied or that no event will occur that could give rise to termination rights under the merger agreement. If our proposed acquisition of UST is completed, there can be no assurance that we will achieve expected synergies or that the integration of UST will be successful.

The completion of our proposed acquisition of UST is not conditioned on our ability to secure adequate financing to fund the consideration for our proposed acquisition of UST.

The merger agreement relating to our proposed acquisition of UST does not contain a financing condition. After the application of the net proceeds from the November offering and this offering, we will require substantial additional funds to complete our proposed acquisition of UST. Although we have commitments in place, these commitments contain conditions, as discussed under "Summary The Company Recent Developments New 364-Day Bridge Loan Facility," that, if not satisfied, would permit the providers of such financing to decline to deliver their funds. If we are unable to complete our proposed acquisition of UST due to any breach on our part, including failure to obtain financing, we may be exposed to claims by UST.

We will face risks in refinancing on a long-term basis the short-term funds we borrow to acquire UST.

We have entered into a commitment letter with the initial lenders pursuant to which they have committed to provide up to \$7.0 billion under a new 364-day bridge loan facility. The commitment letter for our new 364-day bridge loan facility requires that commitments under such facility be reduced by an amount equal to 100% of the net proceeds from any specified capital markets financing transaction (such as the November offering and this offering) in excess of \$4.0 billion. As a result of the November offering, commitments under our new 364-day bridge loan facility were reduced by \$1.92 billion, the amount the net proceeds (after expenses) from the November offering exceeded \$4.0 billion. These commitments will be further reduced by an amount equal to the net proceeds (after expenses) from this offering. Borrowings under our new 364-day bridge loan facility, if any, must be repaid within one year of the closing date of our proposed acquisition of UST. We intend to repay any borrowings by issuing long-term debt. Our ability to complete the anticipated issuances of debt securities to repay these borrowings, and the terms of the issuances, will depend upon market conditions, and unfavorable conditions could increase costs beyond what is anticipated. Such costs could have a material adverse impact on cash flows or the results of operations or both.

Risks Related to the Offering

Under certain circumstances, PM USA's guarantee of the notes will be released.

PM USA's guarantee of the notes will be released upon the earliest to occur of:

the date, if any, on which PM USA consolidates with or merges into us or any successor of us;

the date, if any, on which we or any successor consolidates with or merges into PM USA;

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payment in full of the notes; or

the rating of our long-term senior unsecured debt by S&P of A or higher.

If PM USA is released from its guarantee of the notes, it will have no obligation to pay any amounts due on the notes or to provide us with funds for the payment of our obligations. In addition, as described under Description of Debt Securities Amendment in the attached prospectus, the guarantee may be amended with the approval of the holders of more than 50% in aggregate principal amount of the notes.

In the event of the release of PM USA's guarantee, our right, as an equity holder of PM USA, to receive any assets of such subsidiary upon its liquidation or reorganization, and therefore the right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of PM USA's creditors, including trade creditors.

Federal and state statutes allow courts, under specific circumstances, to void guarantees and require noteholders to return payments received from PM USA.

Under applicable provisions of federal bankruptcy law or comparable provisions of state fraudulent transfer law, PM USA's guarantee could be voided, or claims in respect of PM USA's guarantee could be subordinated to the debts of PM USA, if, among other things, PM USA, at the time it incurred the obligation evidenced by its guarantee:

received less than reasonably equivalent value or fair consideration therefor; and

either:

was insolvent or rendered insolvent by reason of such occurrence;

was engaged in a business or transaction for which the assets of PM USA constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

In addition, under such circumstances, the payment of amounts by PM USA pursuant to its guarantee could be voided and required to be returned to PM USA, or to a fund for the benefit of PM USA, as the case may be.

The measures of insolvency for purposes of the foregoing considerations will vary depending upon the law applied in any proceeding with respect to the foregoing. Generally, however, PM USA would be considered insolvent if:

the sum of its debts, including contingent liabilities, were greater than the saleable value of its assets, all at a fair valuation;

the present fair saleable value of its assets were less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

To the extent PM USA's guarantee is voided as a fraudulent conveyance or held unenforceable for any other reason, the holders of the notes would not have any claim against PM USA and would be creditors solely of us.

The notes and the guarantee will be effectively junior to secured indebtedness that we or PM USA may issue in the future.

The notes and the guarantee are unsecured. Holders of any secured debt that we or PM USA may issue in the future may foreclose on the assets securing such debt, reducing the cash flow from the foreclosed property available for payment of unsecured debt, including the notes. Holders of our or PM USA's secured debt also

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would have priority over unsecured creditors in the event of our bankruptcy, liquidation or similar proceeding. As a result, the notes will be effectively junior to any secured debt that we may issue in the future and the guarantee will be effectively junior to any secured debt that PM USA may issue in the future.

We may not be able to repurchase all of the notes upon a change of control repurchase event.

As described under Description of Notes Repurchase Upon Change of Control Trigger Event, we will be required to make an offer to purchase the notes upon the occurrence of a change of control triggering event. We may not have sufficient funds to repurchase the notes in cash at that time or have the ability to arrange necessary financing on acceptable terms. In addition, the terms of our other debt agreements or applicable law may limit our ability to repurchase the notes for cash.

There is no public market for the notes, which could limit their market price or your ability to sell them.

The notes are a new issue of securities for which there currently is no trading market. As a result, we cannot provide any assurances that a market will develop for the notes or that you will be able to sell your notes. If any of the notes are traded after their initial issuance, they may trade at a discount from their initial offering price. Future trading prices of the notes will depend on many factors, including prevailing interest rates, the market for similar securities, general economic conditions and our financial condition, performance and prospects. Accordingly, you may be required to bear the financial risk of an investment in the notes for an indefinite period of time. We do not intend to apply for listing or quotation of the notes on any securities exchange or automated quotation system, respectively.

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USE OF PROCEEDS

We will receive net proceeds (before expenses) from this offering of approximately \$.

We intend to use all of the net proceeds from this offering to fund a portion of the consideration to be paid in connection with our proposed acquisition of UST. For more information regarding our proposed acquisition of UST, see Summary The Company Recent Developments Proposed Acquisition of UST Inc. We intend to use the net proceeds from the November offering and borrowings under our new 364-day bridge loan facility to fund the balance of the consideration to be paid in connection with our proposed acquisition of UST. Affiliates of the underwriters are expected to be lenders under our new 364-day bridge loan facility.

If we do not complete our proposed acquisition of UST for any reason, we intend to add the net proceeds from this offering to our general funds, which may be used for general corporate purposes, including to meet our working capital requirements. This offering is not conditioned upon the completion of our proposed acquisition of UST.

If we do not use the net proceeds immediately, we will temporarily invest them in short-term, interest-bearing obligations.

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The following table sets forth our ratios of earnings available for fixed charges to fixed charges for the periods indicated. Earnings available for fixed charges represent earnings from continuing operations before income taxes, including interest capitalized and distributed income of our less than 50% owned affiliates, but excluding fixed charges, amortization of capitalized interest and undistributed earnings of our less than 50% owned affiliates. Fixed charges represent interest expense, amortization of debt discount and expenses, and capitalized interest, plus that portion of rental expense estimated to be the equivalent of interest. This information should be read in conjunction with the consolidated financial statements and related notes included elsewhere or incorporated by reference in this prospectus supplement.

	Nine Months Ended September 30,		Pro Forma 2007(a)	Year Ended December 31,				
	Pro Forma 2008(a)	2008		2007	2006	2005	2004	2003
Ratios of earnings to fixed charges	4.1	18.7(b)	3.4	9.5(c)	7.6(c)	5.7(c)	5.7(c)	5.2(c)

- (a) Gives effect to (1) the completion of our proposed acquisition of UST, including the assumption of approximately \$1.3 billion of UST's outstanding indebtedness, and (2) the financing of the consideration to be paid in connection with our proposed acquisition of UST with borrowings under our new 364-day bridge loan facility and the net proceeds from the November offering. This does not give effect to the completion of this offering and the application of the net proceeds therefrom, as described under "Use of Proceeds."
- (b) Reflects PMI as a discontinued operation. As described under "Summary The Company Recent Developments PMI Spin-Off," on March 28, 2008, we distributed all of our interest in PMI to our stockholders. Interest incurred and the portion of rent expense deemed to represent the interest factor of PMI have been excluded from fixed charges in the computation. Including these amounts in fixed charges, the ratio of earnings to fixed charges would have been 11.8 for the nine months ended September 30, 2008.
- (c) Reflects PMI and Kraft Foods Inc., or Kraft, as discontinued operations. On March 30, 2007, we completed the spin-off of our remaining interests in Kraft to our stockholders. Following the spin-off, we do not own any shares of Kraft stock. Interest incurred and the portion of rent expense deemed to represent the interest factor of PMI and Kraft have been excluded from fixed charges in the computation. Including these amounts in fixed charges, the ratio of earnings to fixed charges would have been 5.9, 3.8, 3.0, 3.1 and 2.9 for the years ended December 31, 2007, 2006, 2005, 2004 and 2003, respectively.

Table of Contents**CAPITALIZATION**

The following table sets forth our capitalization on a consolidated basis as of September 30, 2008. We have presented our capitalization:

on an actual basis; and

on a pro forma basis to reflect (1) the completion of our proposed acquisition of UST, including the assumption of approximately \$1.3 billion of UST's outstanding indebtedness, and (2) the financing of the consideration to be paid in connection with our proposed acquisition of UST with borrowings under our new 364-day bridge loan facility and the net proceeds from the November offering.

The following table does not give effect to the completion of this offering and the application of the net proceeds therefrom, as described under Use of Proceeds.

You should read the following table along with Selected Historical Consolidated Financial Data and Unaudited Pro Forma Financial Information included elsewhere in this prospectus supplement and our consolidated financial statements and related notes, which we have incorporated by reference in this prospectus supplement. You should also read the section Management's Discussion and Analysis of Financial Condition and Results of Operations in our Current Report on Form 8-K filed with the Securities and Exchange Commission, or the SEC, on June 5, 2008 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, which we have incorporated by reference in this prospectus supplement.

	As of September 30, 2008	
	Actual	Pro Forma
	(in millions)	
Consumer products short-term borrowings, including current maturities	\$ 284	\$ 5,598(2)
Consumer products long-term debt:		
8.50% Notes due 2013		1,399(3)
9.70% Notes due 2018		3,098(3)
9.95% Notes due 2038		1,466(3)
Other indebtedness with various interest rates and maturities	101	1,007
Total consumer products long-term debt	101	6,970(2)
Financial services long-term debt(1)	500	500
Total debt	885	13,068(2)
Total stockholders' equity	4,178	4,087
Total capitalization	\$ 5,063	\$ 17,155

(1) Financial services assets and liabilities are unclassified in accordance with industry practices. The financial services long-term debt of \$500 million matures in July 2009.

(2) Our pro forma consumer products short-term borrowings, including current maturities, include borrowings of \$5,080 million under our new 364-day bridge loan facility. The commitment letter for our new 364-day bridge loan facility requires that commitments under such facility be reduced by an amount equal to 100% of the net proceeds from any specified capital markets financing.

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transaction (such as the November offering and this offering) in excess of \$4.0 billion. As a result of the November offering, commitments under our new 364-day bridge loan facility were reduced by \$1.92 billion, the amount the net proceeds (after expenses) from the November offering exceeded \$4.0 billion. These commitments will be further reduced by an amount equal to the net proceeds (after expenses) from this offering. As a result, our pro forma consumer products short-term borrowings, including current maturities will be reduced by the amount of the net proceeds (after expenses) from this offering and correspondingly our pro forma consumer products long-term debt will be increased by the aggregate principal amount of the notes sold in this offering.

- (3) Reflects the aggregate principal amount of the notes issued in the November offering, net of unamortized debt discounts.

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Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

The following tables present our selected historical financial data that have been derived from, and are qualified in their entirety by reference to, our historical consolidated financial statements and related notes. You should read the following tables along with our historical consolidated financial statements and related notes and the section Management's Discussion and Analysis of Financial Condition and Results of Operations in our Current Report on Form 8-K filed with the SEC on June 5, 2008 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, which we have incorporated by reference in this prospectus supplement. The financial data as of September 30, 2008 and for the nine months ended September 30, 2008 and 2007 include all adjustments, consisting of normal recurring accruals, which we consider necessary for a fair presentation of our results of operations for these periods. Interim results are not necessarily indicative of full year results.

	Nine Months Ended September 30,		Year Ended December 31,	
	2008	2007	2007	2006
	(in millions)			
Statement of Earnings Data:(1)				
Net revenues	\$ 14,702	\$ 14,136	\$ 18,664	\$ 18,790
Cost of sales	6,285	5,905	7,827	7,387
Excise taxes on products	2,578	2,626	3,452	3,617
Gross profit	5,839	5,605	7,385	7,786
Marketing, administration and research costs	2,060	2,059	2,784	3,113
Asset impairment and exit costs	294	392	442	52