

Up to
€500
million

Our planned capital expenditure to establish an initial manufacturing capacity in Europe for Platform 1 of up to 30 billion units

Reduced-Risk Products

We believe that our greatest growth opportunity lies in the commercialization of a world-class portfolio of innovative reduced-risk products that provide adult smokers with the taste, sensory experience, nicotine delivery profile and ritual characteristics that match as closely as possible those of cigarettes. We are developing rigorous scientific evidence to substantiate our products' potential to reduce the risk of smoking-related diseases to the individual adult smoker in comparison to cigarettes and to reduce the harm to the population as a whole. Scientific substantiation is a core component of our long-term investment. We have also been advocating for the development of strong science-based regulatory frameworks for the review of reduced-risk products, including the approval of reduced exposure and risk claims.

Here are four of the product platforms that we plan to commercialize in the coming years. In the case of Platform 1, our objective is to start pilot city tests during the second half of 2014 and carry out a national launch in 2015.

Platform 1

features an electronic holder that heats tobacco rather than burning it, thereby creating a nicotine-containing aerosol with significantly fewer harmful constituents compared to cigarette smoke.⁽¹⁾

Platform 2

uses a pressed carbon heat source that, once ignited, heats the tobacco without burning it, to generate a nicotine-containing aerosol. It reduces harmful constituents similar to Platform 1.⁽¹⁾

Platform 3

is based on technology that PMI acquired in 2011. It uses a chemical process to create a nicotine-containing aerosol. The product is still under development.

Platform 4

is an e-cigarette – a battery powered device that produces an aerosol by vaporizing a nicotine solution.

⁽¹⁾ Our scientific assessment program includes additional studies to assess the potential of Platforms 1 and 2 to reduce the risk of developing tobacco-related diseases compared to cigarettes.



The Path to Commercialization

In November 2013, PMI announced plans to accelerate the commercialization of one of its potentially reduced-risk products in the second half of 2014 in selected cities prior to a full market launch in 2015.

In December 2013, PMI established a strategic framework with Altria Group, Inc. (Altria) under which Altria will make available its e-cigarette products exclusively to PMI for commercialization outside the United States. Likewise, PMI will make available two of its reduced-risk products exclusively to Altria for commercialization in the United States, subject to FDA authorization. PMI plans to enter the e-cigarette market in the second half of 2014.

In January 2014, PMI announced an investment of up to €500 million to build its first manufacturing facility and an associated pilot plant near Bologna, Italy, to produce its potentially reduced-risk tobacco products. Once fully operational, the combined annual production capacity of the factory and pilot plant is expected to reach up to 30 billion units by 2016.