



PHILIP MORRIS INTERNATIONAL

2014 Goldman Sachs Global Staples Summit

New York

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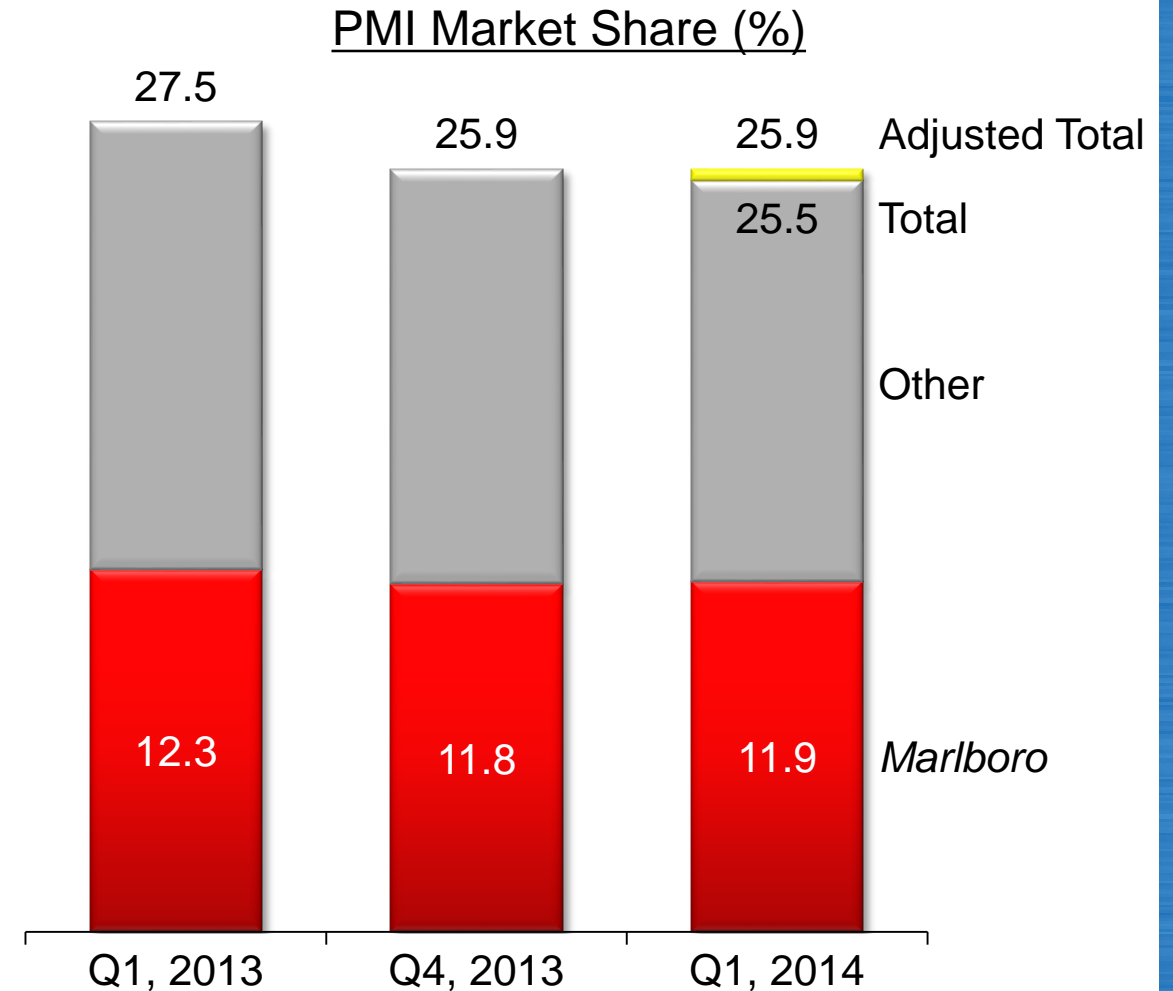


Forward-Looking and Cautionary Statements

- This presentation and related discussion contain forward-looking statements. Achievement of projected results is subject to risks, uncertainties and inaccurate assumptions, and PMI is identifying important factors that, individually or in the aggregate, could cause actual results to differ materially from those contained in any forward-looking statements made by PMI
- PMI's business risks include: significant increases in cigarette-related taxes; the imposition of discriminatory excise tax structures; fluctuations in customer inventory levels due to increases in product taxes and prices; increasing marketing and regulatory restrictions, often with the goal of reducing or preventing the use of tobacco products; health concerns relating to the use of tobacco products and exposure to environmental tobacco smoke; litigation related to tobacco use; intense competition; the effects of global and individual country economic, regulatory and political developments; changes in adult smoker behavior; lost revenues as a result of counterfeiting, contraband and cross-border purchases; governmental investigations; unfavorable currency exchange rates and currency devaluations; adverse changes in applicable corporate tax laws; adverse changes in the cost and quality of tobacco and other agricultural products and raw materials; and the integrity of its information systems. PMI's future profitability may also be adversely affected should it be unsuccessful in its attempts to produce products with the potential to reduce the risk of smoking-related diseases; if it is unable to successfully introduce new products, promote brand equity, enter new markets or improve its margins through increased prices and productivity gains; if it is unable to expand its brand portfolio internally or through acquisitions and the development of strategic business relationships; or if it is unable to attract and retain the best global talent
- PMI is further subject to other risks detailed from time to time in its publicly filed documents, including the Form 10-Q for the quarter ended March 31, 2014. PMI cautions that the foregoing list of important factors is not a complete discussion of all potential risks and uncertainties. PMI does not undertake to update any forward-looking statement that it may make from time to time, except in the normal course of its public disclosure obligations
- A glossary of terms included in this presentation is provided at the end of this presentation and is posted on our web site at www.pmi.com

Japan: Market Share Under Pressure

- Cigarette industry volume increased by 9.6% in the first quarter of 2014
- Cigarette industry volume declined by 29% in April
- Expect cigarette industry volume to decline some 3.0% to 3.5% this year
- PMI Q1, 2014 market share distorted by the pattern of trade purchases
- PMI April market share rebounded to 26.8%

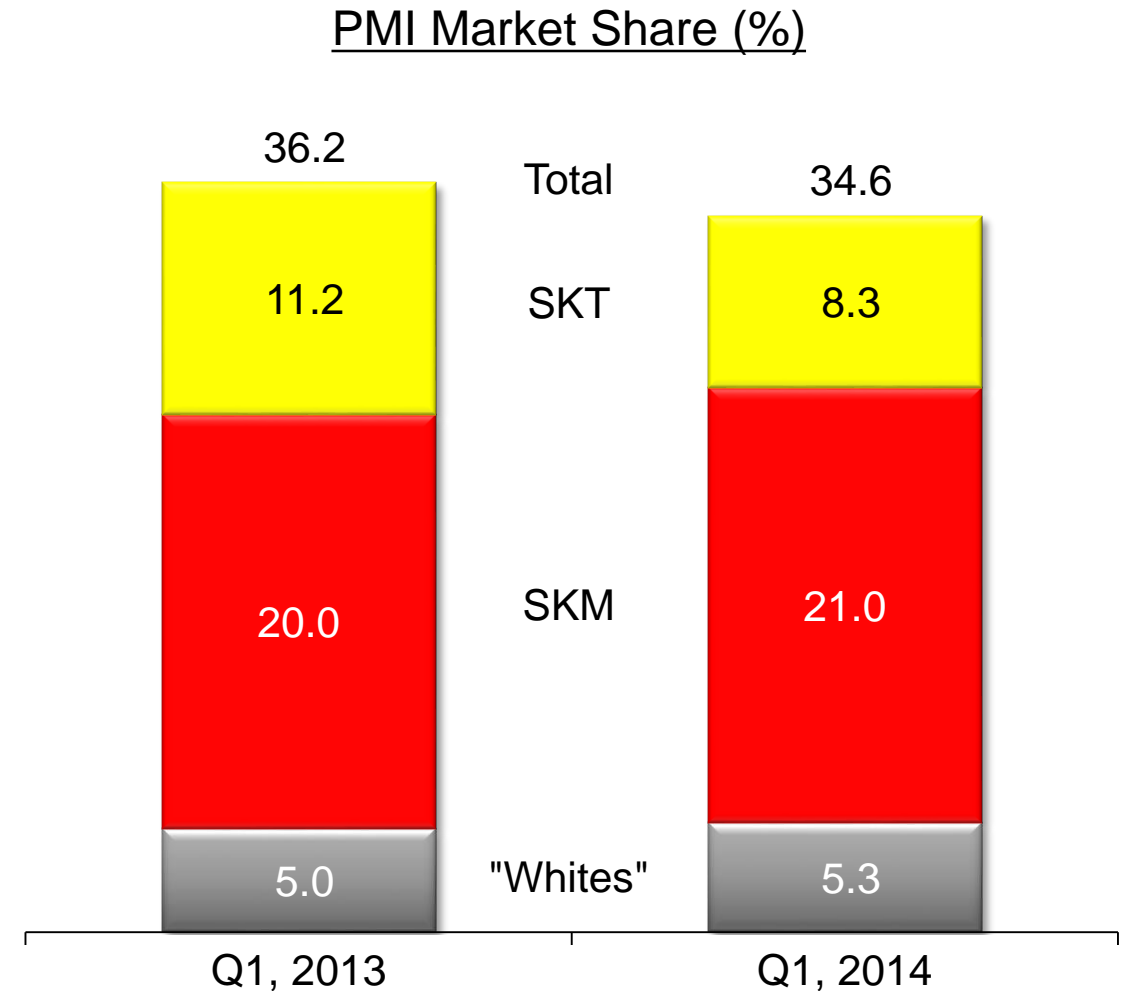


Indonesia: PMI Market Share Impacted by Decline in Hand-Rolled Kretek ("SKT") Segment



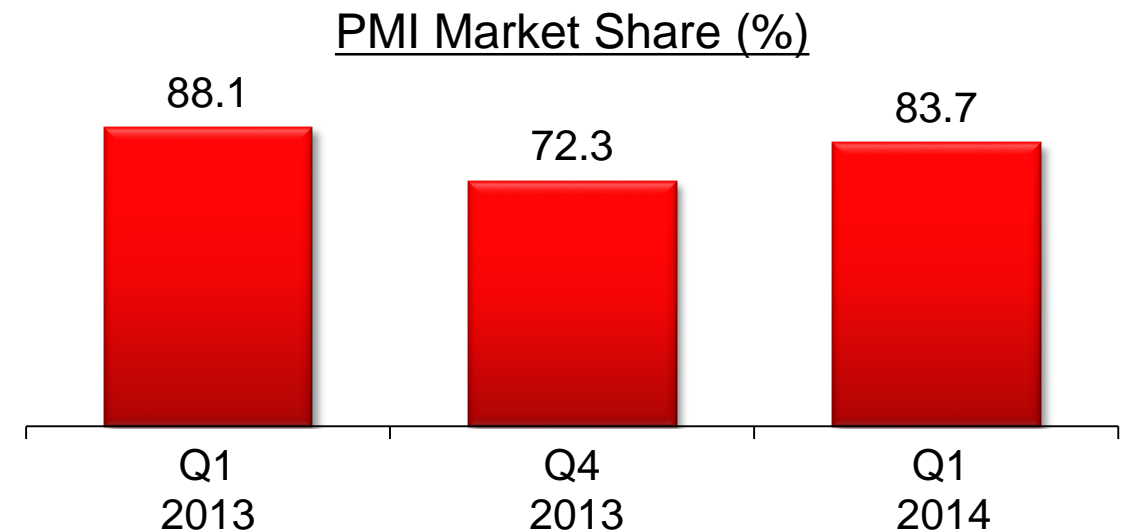
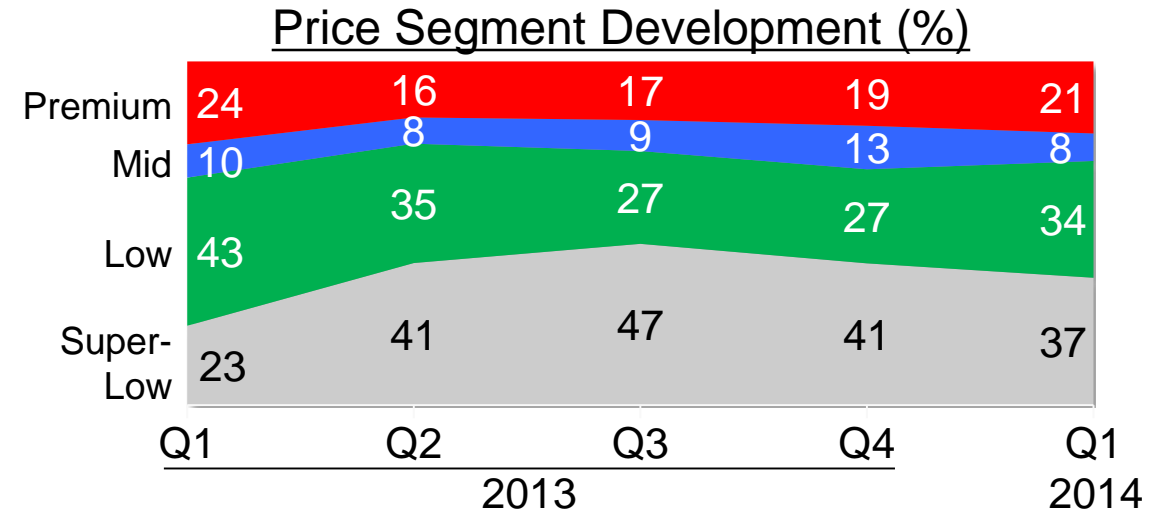
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- Cigarette industry volume declined by 1.0% during Q1, 2014
- Two industry trends accelerated during Q1, 2014:
 - Low price segment declined by 12.6%
 - SKT segment declined by 16.4%
- Premium SKT *Dji Sam Soe* under pressure after moving above the important IDR 1,000/stick price point
- PMI is performing well in machine-made ("SKM") and "Whites" segments
- Good PMI volume performance in April
- Expect cigarette industry volume to grow by up to 1% in 2014



Philippines: PMI Regaining Share and Mix Improving

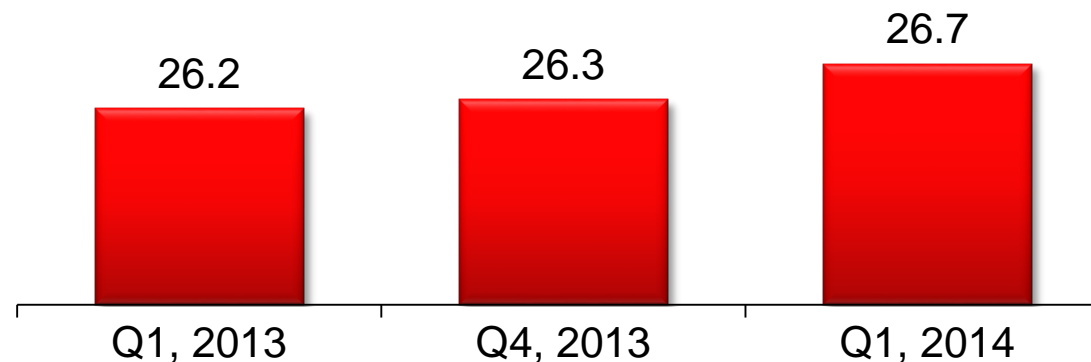
- Tax-paid volume increased by 25.9% in Q1, 2014, reflecting the timing of inventory movements
- Mighty Corporation continues to declare only about half of its sales volume for tax purposes
- Introduction of tax stamps expected in June
- *Mighty* priced at PHP 1.50/stick and *Marvels* at PHP 1.25/stick
- We have responded with *Jackpot* at PHP 1.25/stick and *Champion* at PHP 1.50/stick, while maintaining *Fortune* at slightly below PHP 2.00/stick and *Marlboro* at PHP 3.00/stick
- Going forward, we should be able to further improve our market share, product mix and, over time, increase our margins



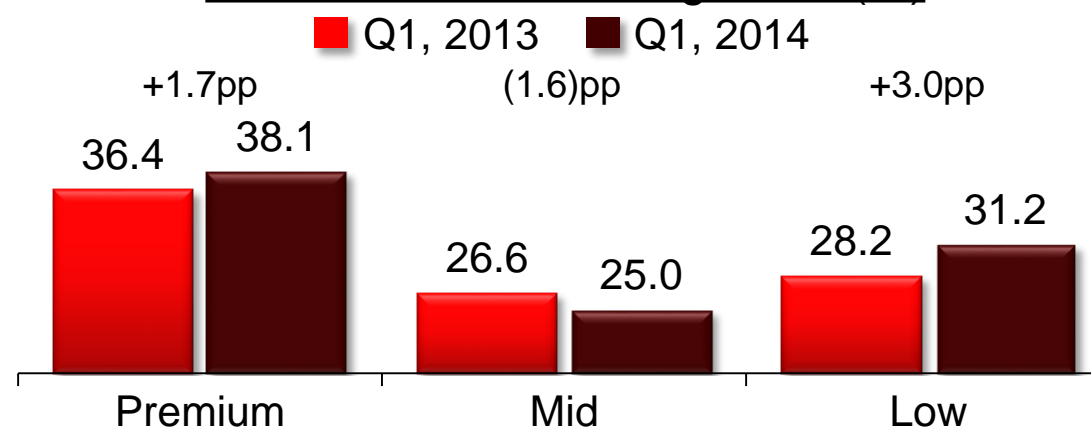
Russia: Growing Market Share and Profitability

- Price increases of RUB 6-9/pack to offset January 2014 excise tax increase
- Profits grew at a double-digit rate ex-currency in Q1, 2014
- Further price increase of RUB 4/pack announced by PMI. Expected to be in the market in Q3, 2014
- Cigarette industry volume forecast to decline by 9% to 11% in 2014
- Strong PMI market share performance led by *Parliament*, *L&M* and *Bond Street*

PMI Market Share (%)



PMI Share of Price Segments (%)

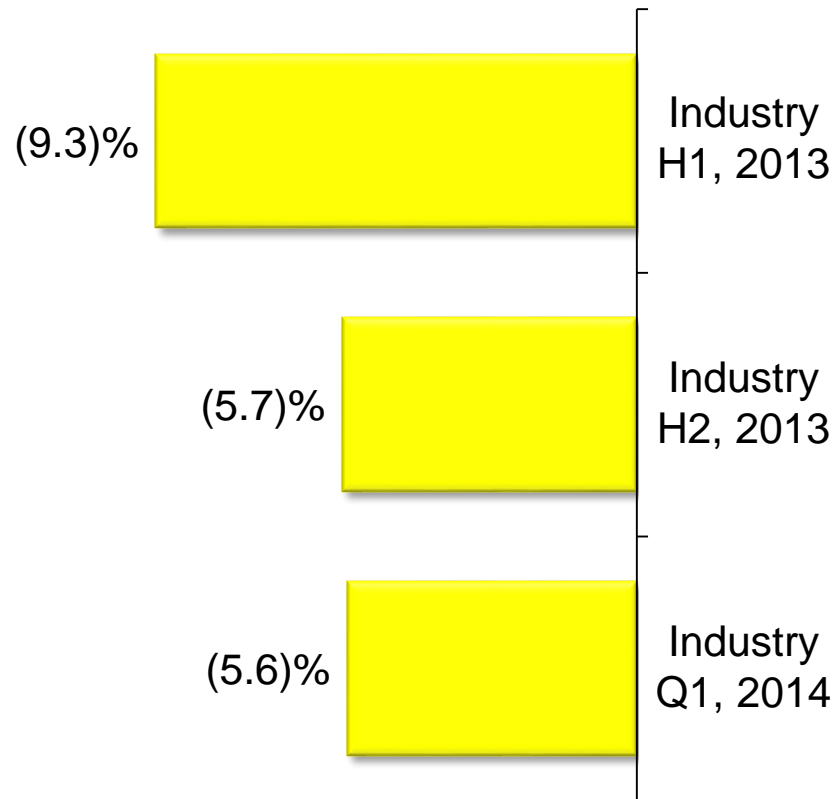


EU Region: Moderation in Cigarette Industry Volume Decline and Strong PMI Share Performance

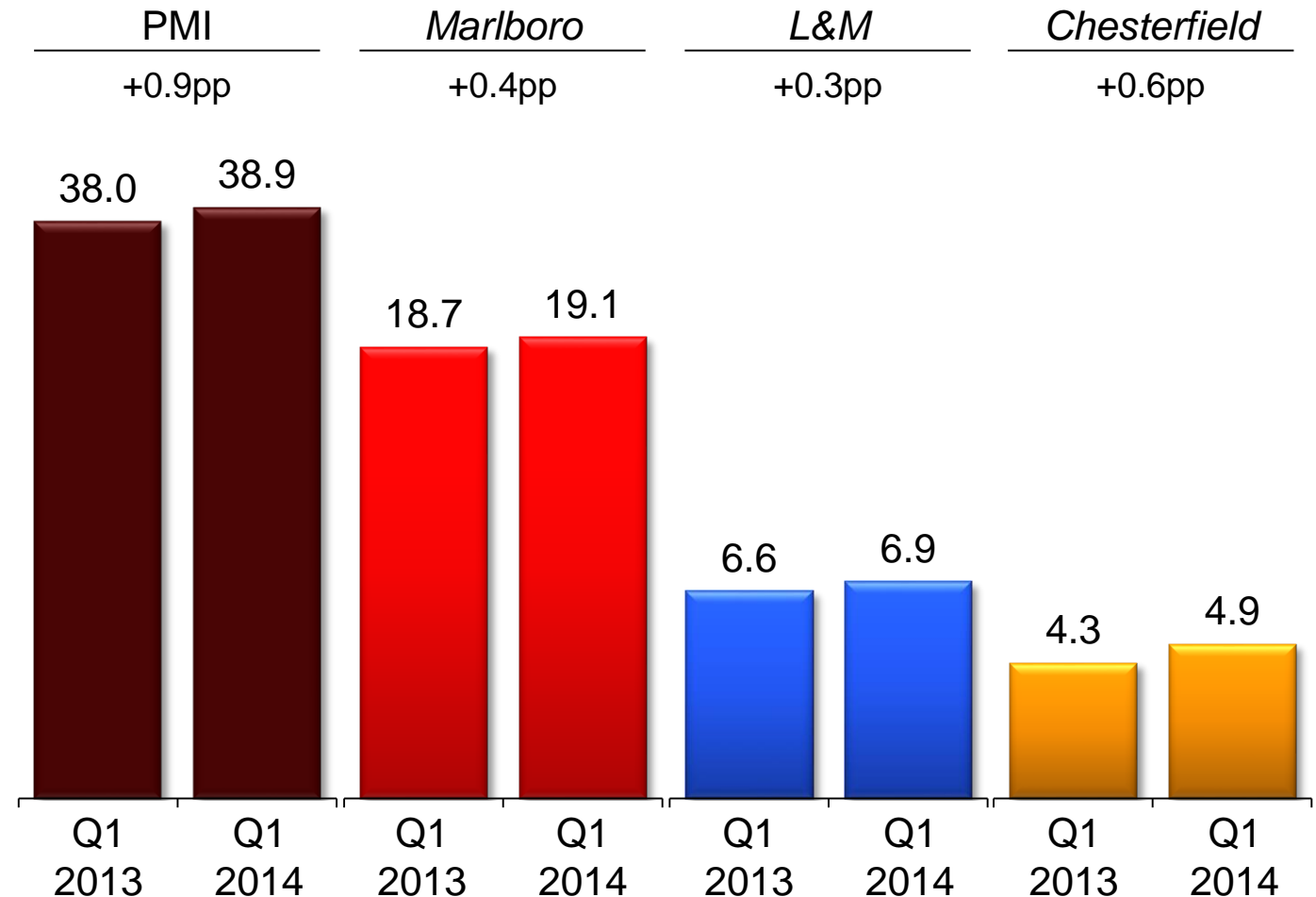


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Cigarette Volume Decline (vs. PY)



Cigarette Market Shares (%)





Conclusion: PMI Remains an Attractive Investment

- Our business fundamentals remain solid
- PMI volume YTD April decreased by 2.2%, in line with the underlying trend we highlighted for Q1, 2014
- Expect 2014 to be characterized by:
 - Solid pricing
 - Improved volume trends
 - Good market share momentum
 - Gradual sequential improvement in our share in Japan
 - More stable business environment in the Philippines
 - Solid results in Indonesia
 - Additional profits from recently completed business development projects
 - Solid contribution from productivity gains
 - Reduced-Risk Product city tests



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Questions & Answers



Glossary

- Unless otherwise stated, results are compared with those of the same period in the preceding year
- PMI stands for Philip Morris International Inc. and its subsidiaries
- PMI volumes refer to PMI cigarette shipment data, unless otherwise stated
- References to total international cigarette market, total cigarette market, total market and market shares reflect our best estimates based on a number of internal and external sources
- Trademarks in this presentation are italicized
- EU refers to the European Union Region