



PHILIP MORRIS INTERNATIONAL

2013 Fourth-Quarter and Full-Year Results

February 6, 2014



Introduction

- Unless otherwise stated, we will be talking about results for the fourth-quarter or full-year 2013 and comparing them to the same periods in 2012
- References to PMI volumes are to PMI shipments
- Industry volume and market shares are the latest data available from a number of internal and external sources
- Net revenues exclude excise taxes
- Operating Companies Income, or “OCI”, is defined as operating income, excluding general corporate expenses and the amortization of intangibles, plus equity (income) or loss in unconsolidated subsidiaries, net. OCI growth rates are on an adjusted basis, which excludes asset impairment, exit and other costs
- Data tables showing adjustments to net revenues and OCI for currency, asset impairment, exit and other costs, free cash flow calculations, adjustments to EPS, and reconciliations to U.S. GAAP measures are at the end of today’s webcast slides, which are also posted on our web site



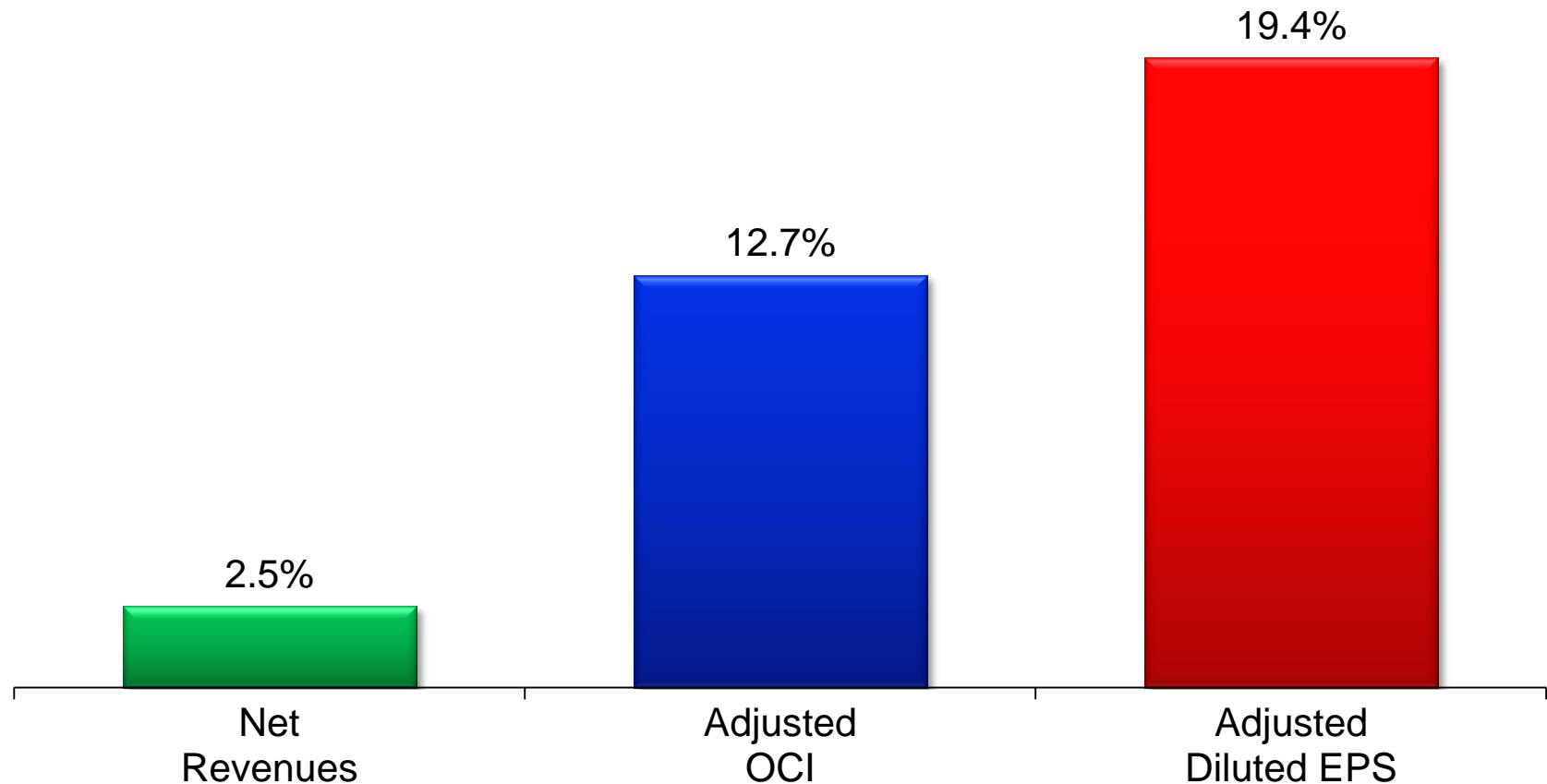
Forward-Looking and Cautionary Statements

- 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 September 30, 2013. 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



Strong Fourth-Quarter Financial Results

Growth (Q4, 2013 vs. Q4, 2012)^(a)

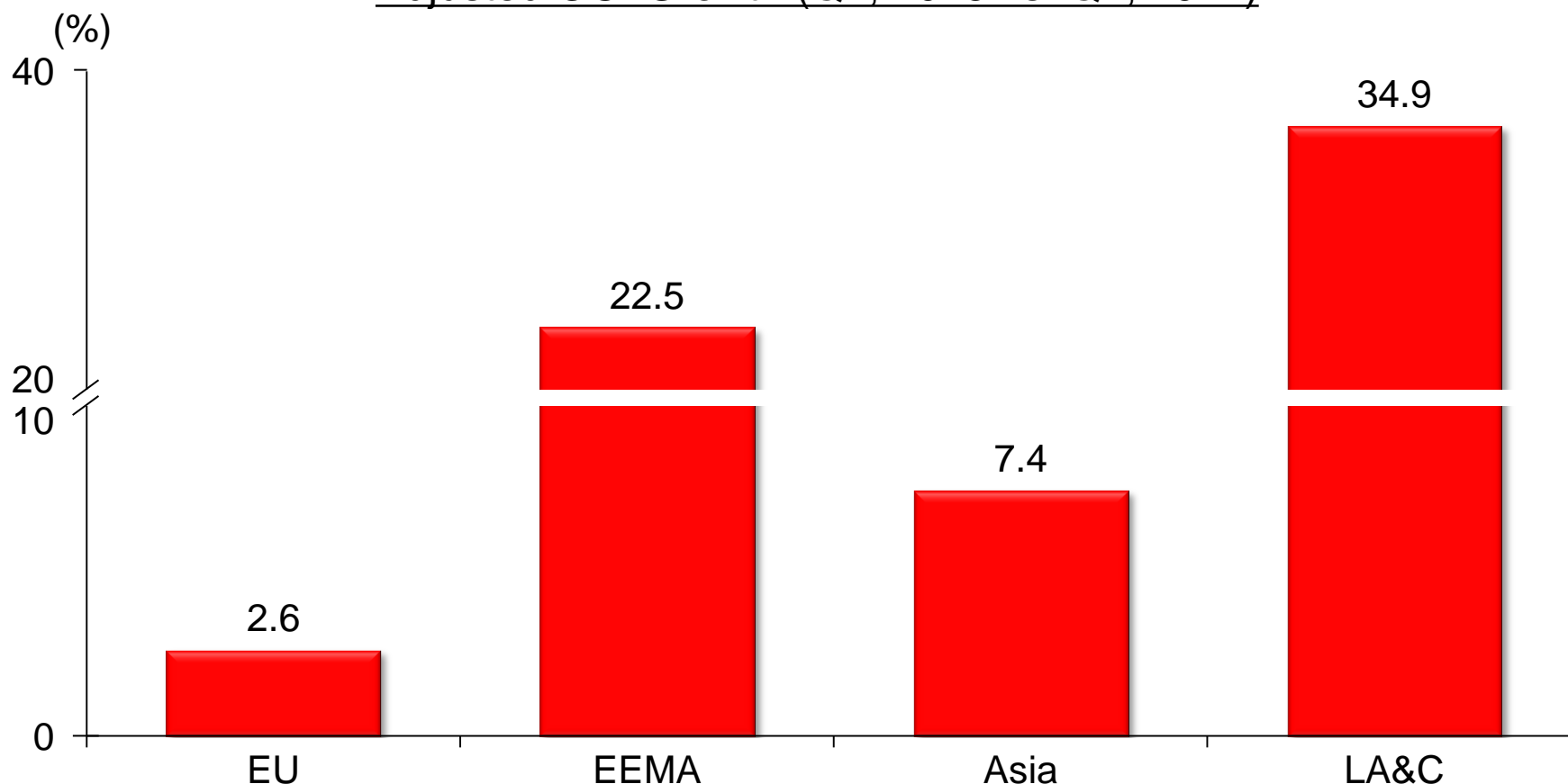


(a) Excluding currency
Source: PMI Financials



Strong Fourth-Quarter Financial Results

Adjusted OCI Growth (Q4, 2013 vs. Q4, 2012)^(a)



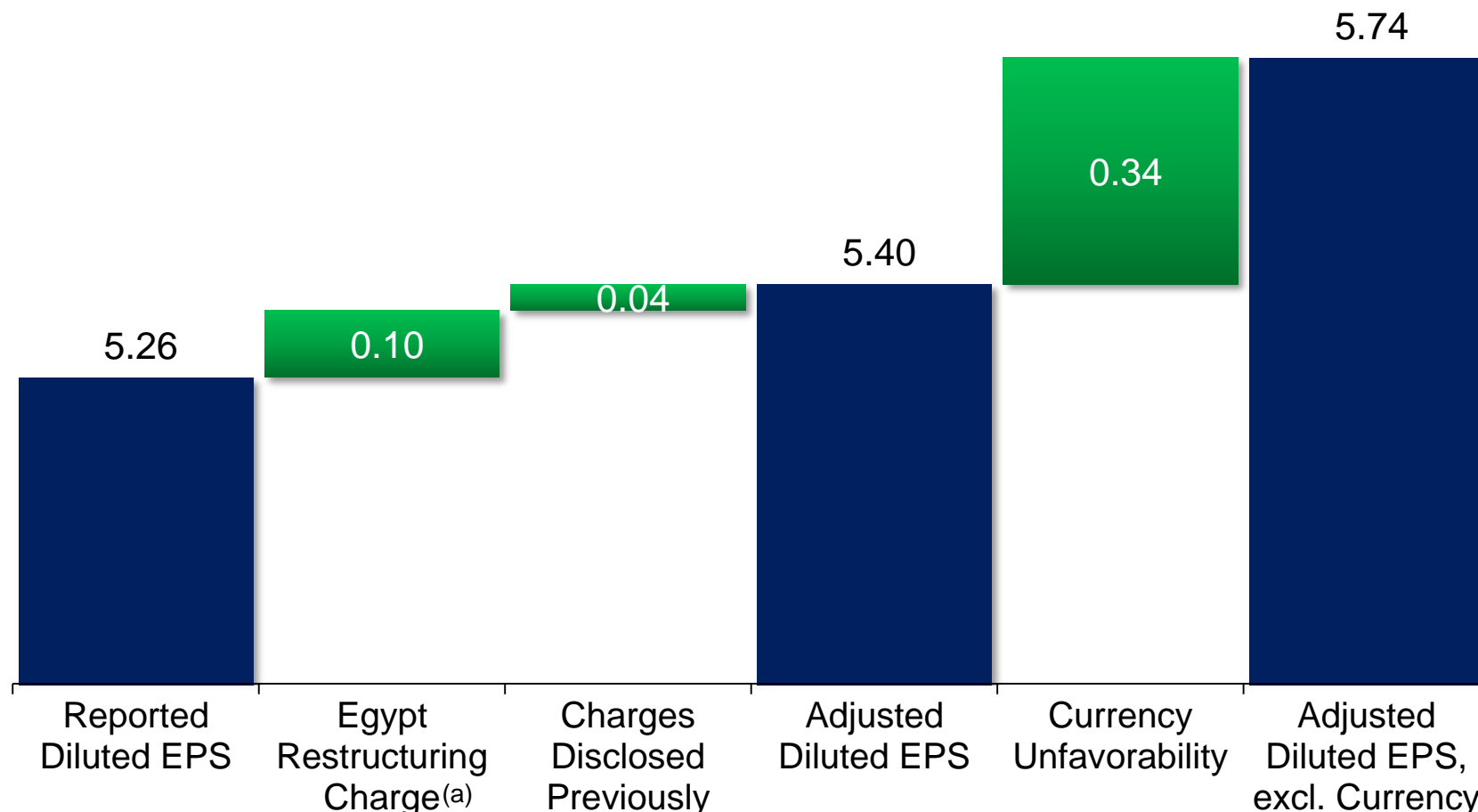
(a) Excluding currency
Source: PMI Financials

Bridging Reported Diluted EPS to Adjusted Diluted EPS, excluding Currency



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2013 Diluted EPS (\$/share)



(a) Included in asset impairment and exit costs

Source: PMI Financials



Currency Volatility

- Currencies remain very volatile, especially in emerging markets
- At prevailing exchange rates, we project 71 cents unfavorable currency at EPS level in 2014
- Emerging markets account for nearly 60% of this projected currency headwind
- We are currently hedged for approximately 60% of our forecast sales to Japan with an effective rate of 95 Yen to the US Dollar in 2014



2014 Business Outlook and EPS Guidance

- Business fundamentals are robust
- Specific market challenges
- Increased investments behind Reduced-Risk Products and our conventional tobacco products
- Reported diluted EPS guidance for 2014 is \$5.02 to \$5.12 at prevailing exchange rates, compared to \$5.26 in 2013
- Excluding currency, our guidance represents a growth rate of approximately 6% to 8%, compared to our adjusted diluted EPS of \$5.40 in 2013

Japan: Pricing and Market Share Challenge

- Consumption tax increase from 5% to 8% in April. Related retail price pass-on of approximately JPY 14/pack
- Cigarette price changes in Japan subject to approval of Minister of Finance
- We have applied for approval to increase *Marlboro*, *Lark* and *Philip Morris* by JPY 20/pack and other brands by up to JPY 10/pack
- Industry volume decline of around 3.0% to 3.5% expected in 2014

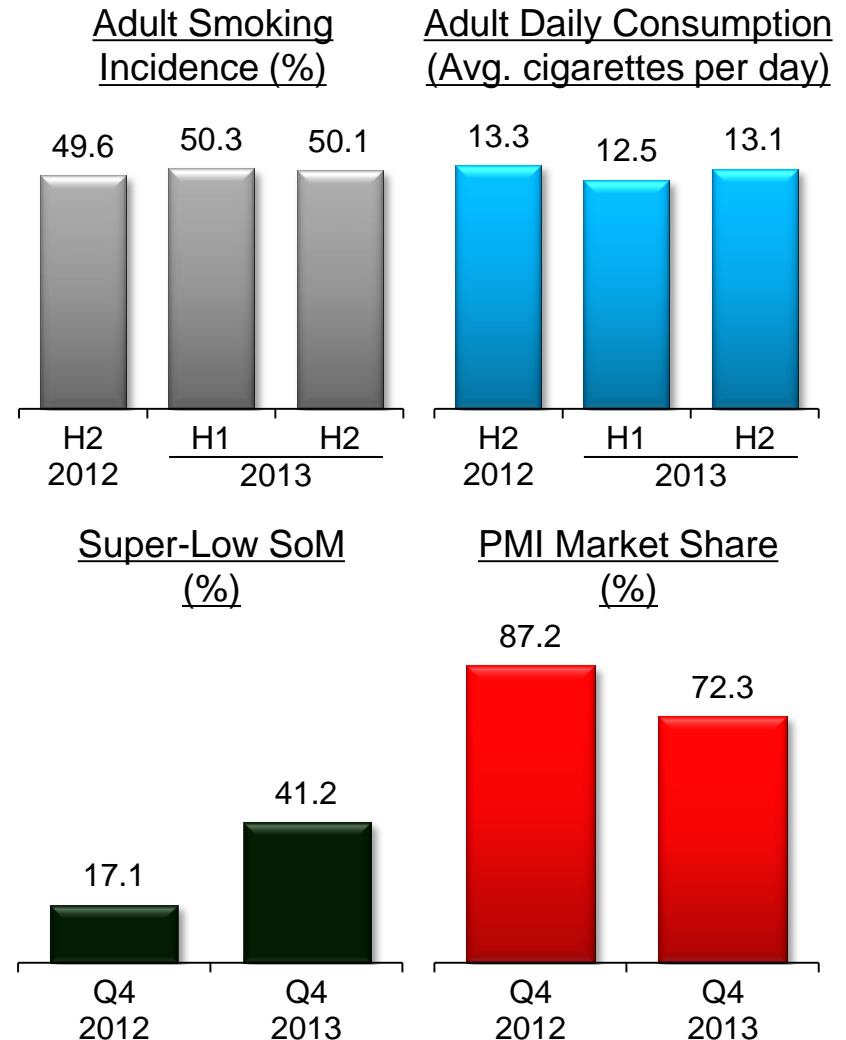


Philippines: Competitor Excise Tax Under-Reporting Remains Central Issue



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- We estimate that *Mighty* Corporation declares only about half its production for tax purposes
- Fiscal tax stamps planned in Q2, 2014
- Retail price of *Mighty* brand increased to PHP 1.50/stick, but *Marvels* brand still sold at price lower than combination of excise tax and VAT
- Down-trading has impacted PMI market share and profitability



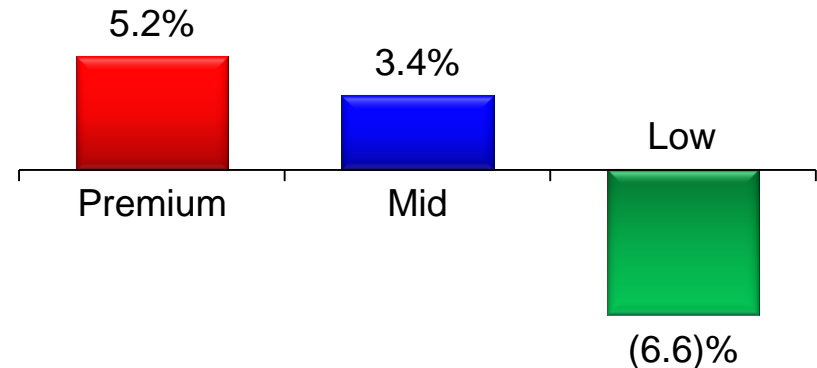
Note: VAT stands for Value Added Tax. Adult refers to Legal Age (minimum 18) – 64 year old smokers. SoM stands for Share of Market
Source: PMI estimates, Nielsen and PMI Market Research



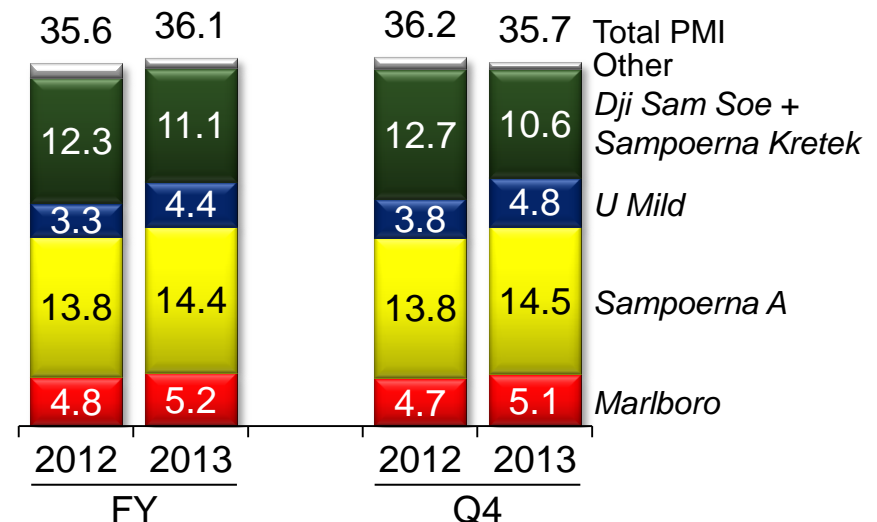
Indonesia: Moderate Industry Volume Growth

- Cigarette industry volume increased by 1.9% in 2013 to an estimated 308 billion units
- Economic slowdown and higher fuel and food prices
- Around 1% cigarette industry volume growth forecast for 2014
- PMI benefiting from continued growth of machine-made lighter-tasting segment
- 10% regional tax introduced in January 2014 should be manageable

Industry Volume Variance by Price Segment
(2013 vs. PY)



PMI Market Share (%)



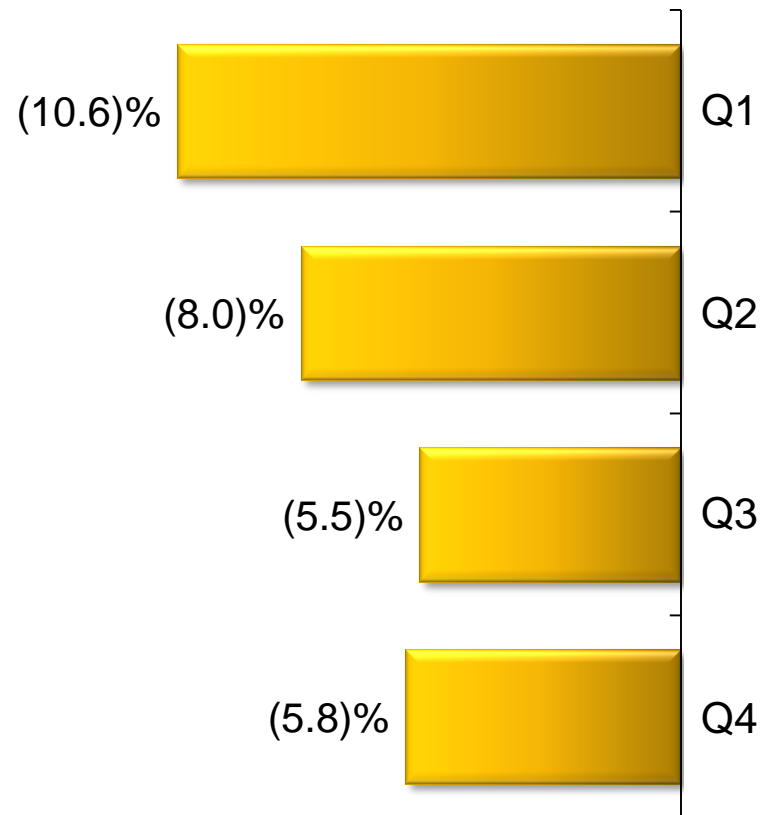
EU Region: Reduction in Cigarette Industry Volume Decline



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- Illicit trade appears to have stabilized
- Slower expansion of fine cut category and e-cigarettes
- Forecast 6% to 7% decline in cigarette industry volume in 2014
- Excise tax increases reasonable and structures improving. Predominantly ad-valorem structure in Italy is a concern

Total Cigarette Industry Volume Decline
(2013 vs. PY)

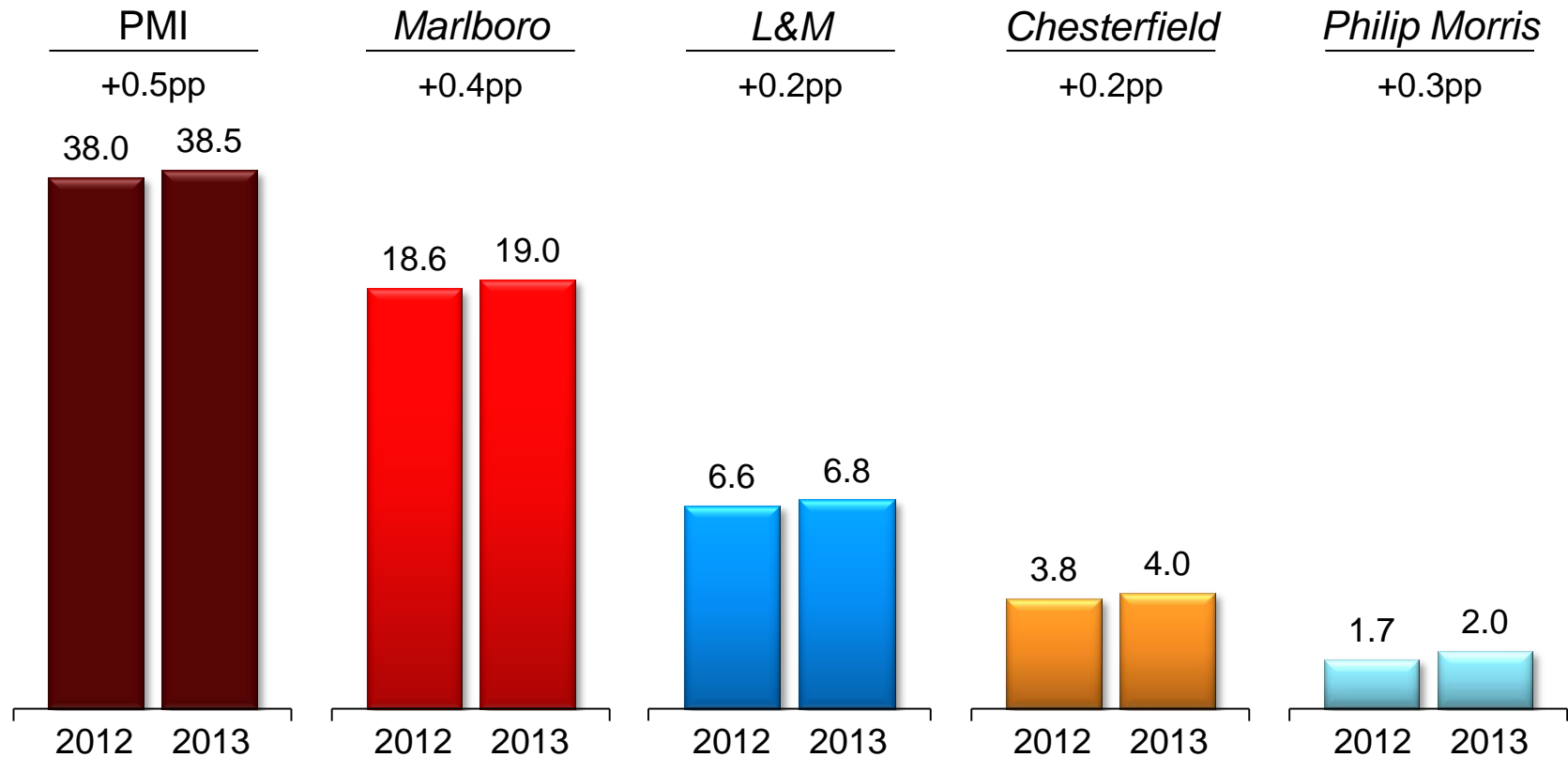


Note: Fine cut includes Make Your Own (MYO), MYO volume tobacco and Roll Your Own
Source: PMI estimates and PMI forecasts



EU Region: Strong Share Growth Momentum

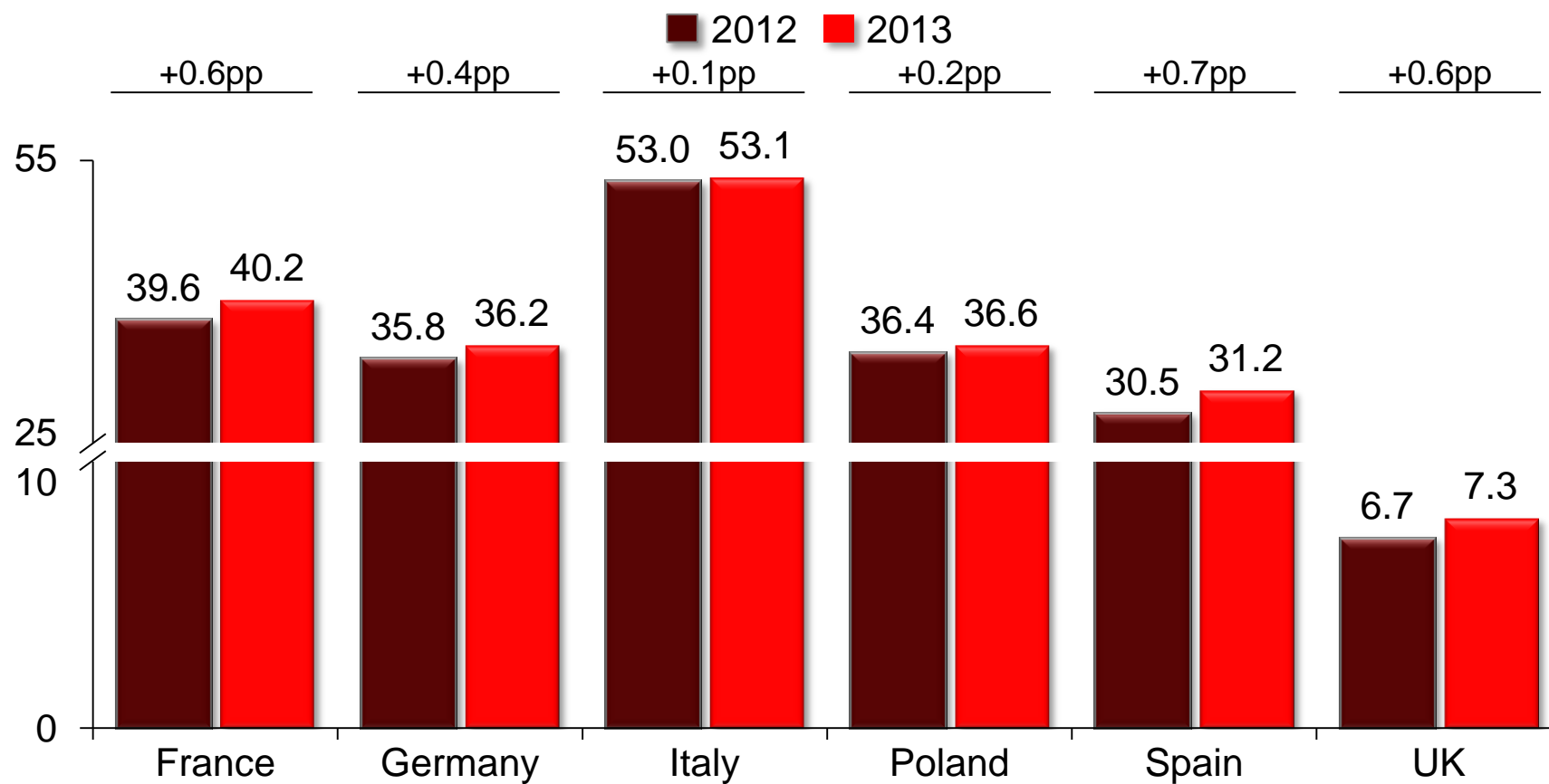
EU Region Cigarette Market Shares (%)





EU Region: Strong Share Growth Momentum

PMI Cigarette Market Shares (%)



Russia: Profitability Growth Despite Volume Decline



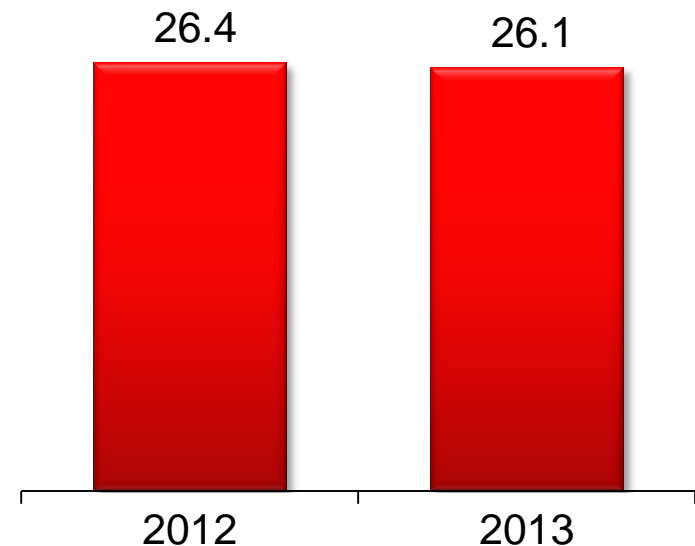
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- Profitability expanded in 2013 despite an estimated 7.6% cigarette industry volume decline
- High single-digit profit growth expected again in 2014 even though we forecast industry volume decline of 9% to 11%

MRSP Evolution (RUB/pack)

	<u>Jan 2012</u>	<u>Jun 2012</u>	<u>Jan 2013</u>	<u>Jun 2013</u>	<u>Jan 2014</u>
<i>Parliament</i>	72	75	82	86	95
<i>Marlboro</i>	60	63	70	74	83
<i>Chesterfield</i>	42	45	52	55	64
<i>L&M</i>	34	37	43	47	56
<i>Bond Street</i>	31	34	40	44	53
Tax pass-on	2.80	0.90	5.20	—	8.00

PMI Market Share (%)



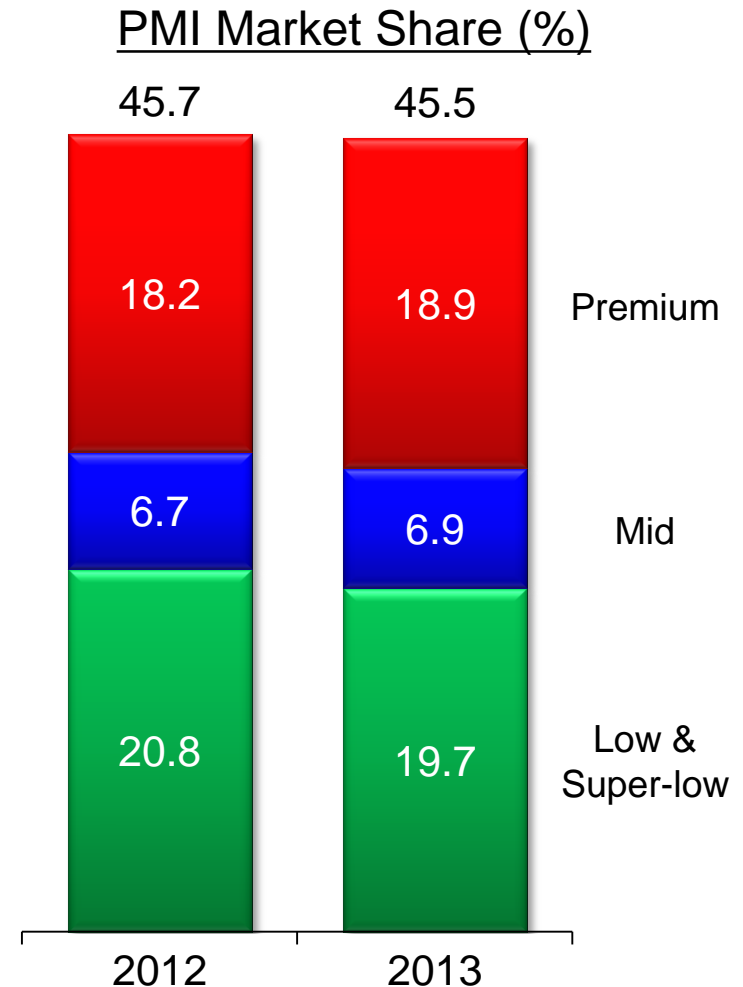
Note: MRSP stands for Maximum Retail Selling Price

Source: PMI Financials, PMI estimates, PMI forecasts and Nielsen



Turkey: PMI Gaining Share in Premium and Mid

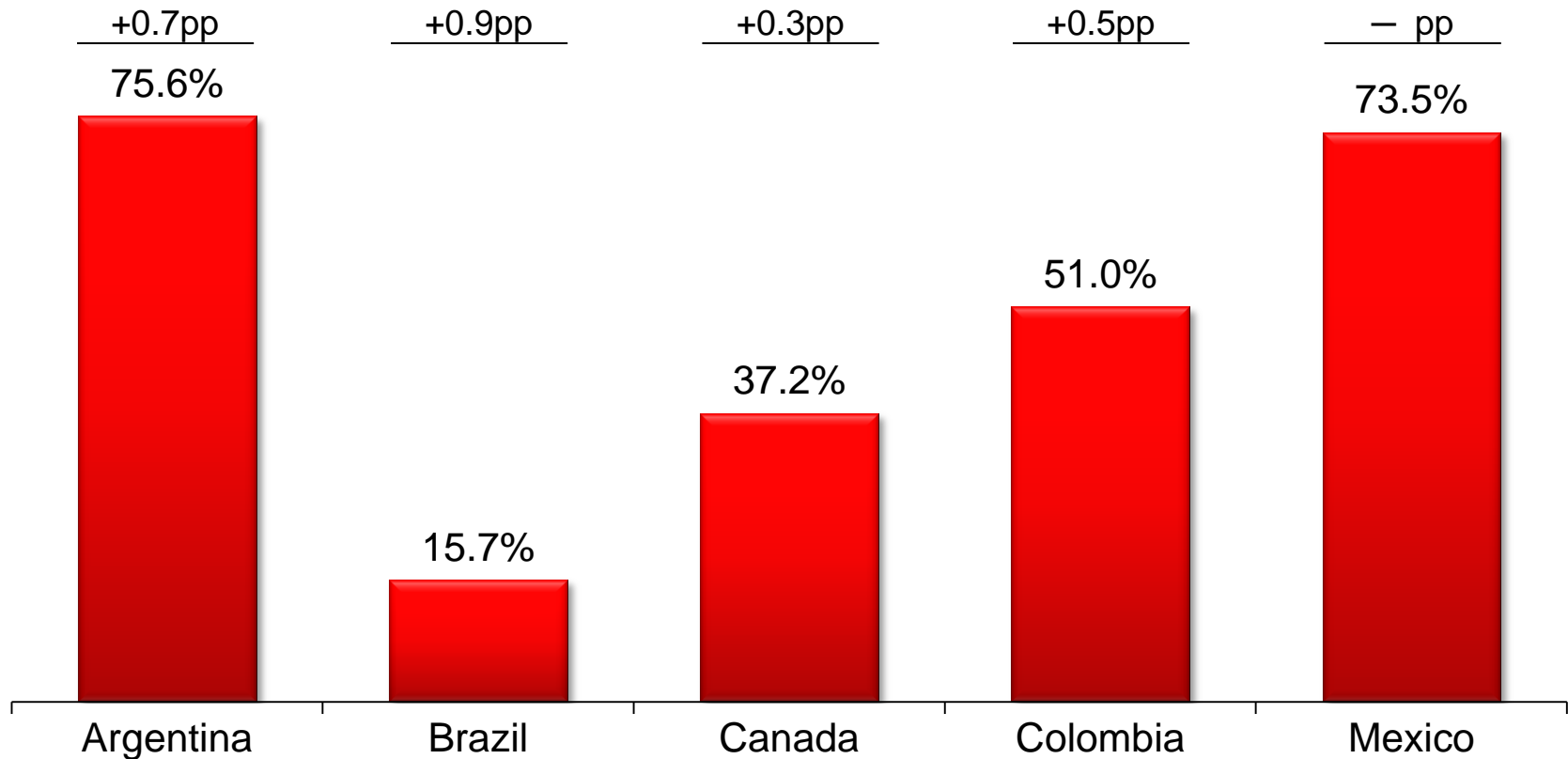
- Trade loading at the end of 2012 and an increase in illicit trade resulted in an estimated 7.6% decline in cigarette industry volume in 2013
- Underlying cigarette industry volume expected to stabilize in 2014
- PMI successfully line-extended *Chesterfield* into the super-low price segment
- Specific excise tax increase in January 2014 resulting in pass-on of around TRY 0.28/pack. PMI has increased prices, on average, by TRY 0.50/pack





Latin America & Canada Region: Strong Results

PMI Market Shares (2013)

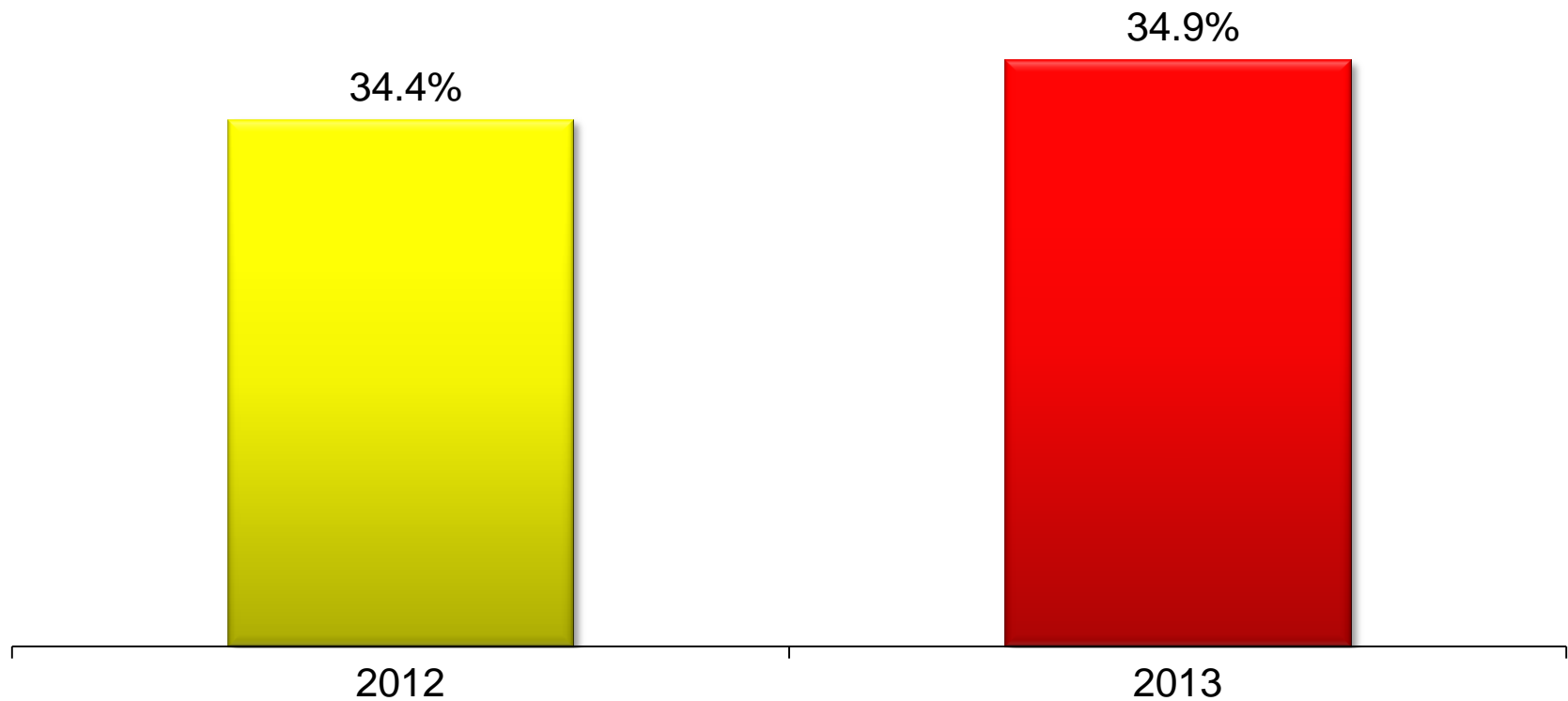




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Market Share Momentum: Top 30 OCI Markets

PMI Market Share^(a)



(a) Excluding the Philippines and duty free
Source: PMI Financials and PMI estimates



Market Share Momentum: *Marlboro*

	Market Shares		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
EU	18.4%	18.6%	19.0%
EEMA	6.8	7.0	7.1
Asia ^(a)	5.1	5.2	5.3
LA&C	14.0	14.6	15.0

(a) Excluding China and the Philippines
Source: PMI estimates

International Cigarette Industry Volume: Slight Moderation in Decline Forecast for 2014



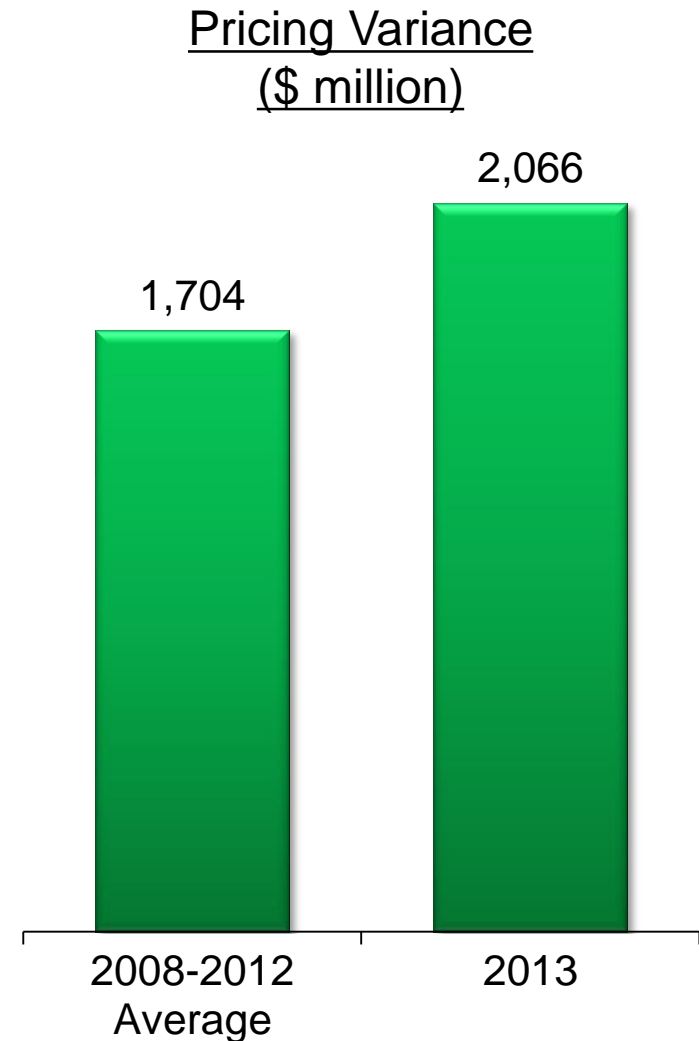
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	Cigarette Industry Volume (units trillion)		
	<u>2012</u>	<u>2013</u>	<u>2014F</u>
International Markets excl. China	3.2	3.1	3.0
Variance		(3.0)%	(2.0)% – (3.0)%



Pricing: Key Driver of Increased Profitability

- 2013 pricing variance reflects the timing of tax-driven price increases and unusually large gains due to inventory movements, most notably in the Philippines
- In Q1, 2014, we expect these gains to be lower and consequently this quarter's EPS growth rate, excluding currency, is expected to be below our average for the year
- As of today, we have implemented or announced almost 60% of the pricing that is built into our 2014 EPS guidance

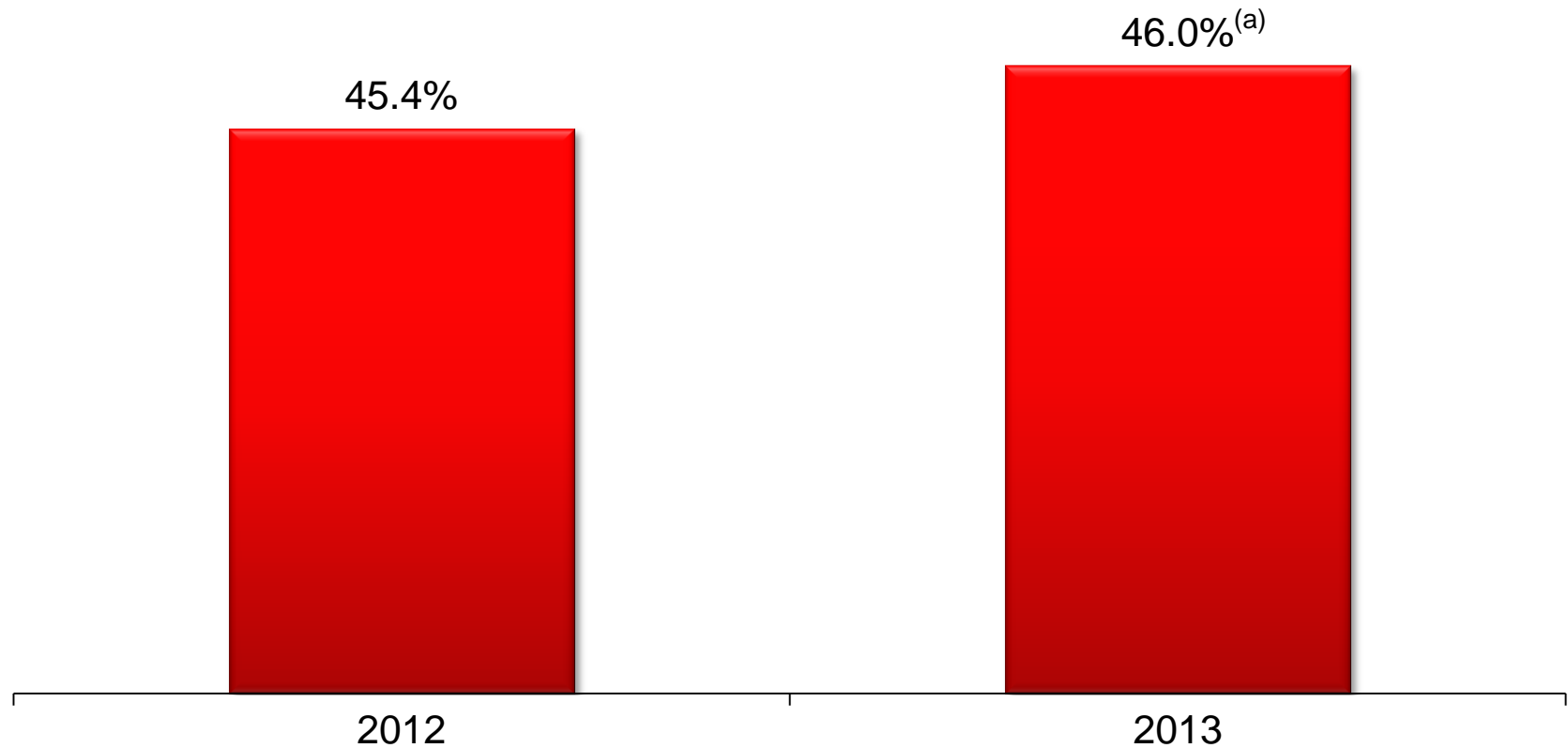


Margin Improvements Driven by Pricing and Productivity Gains



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Adjusted OCI Margin



(a) Excluding currency
Source: PMI Financials

Business Development: Accretive to Earnings in 2014



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- Remaining 20% shareholding in Mexico
- 49% participation in Arab Investors-TA
- 20% shareholding in our Russian distributor, Megapolis
- Business restructuring in Egypt
- Expected net EPS impact of approximately 10 cents in 2014



Mexico



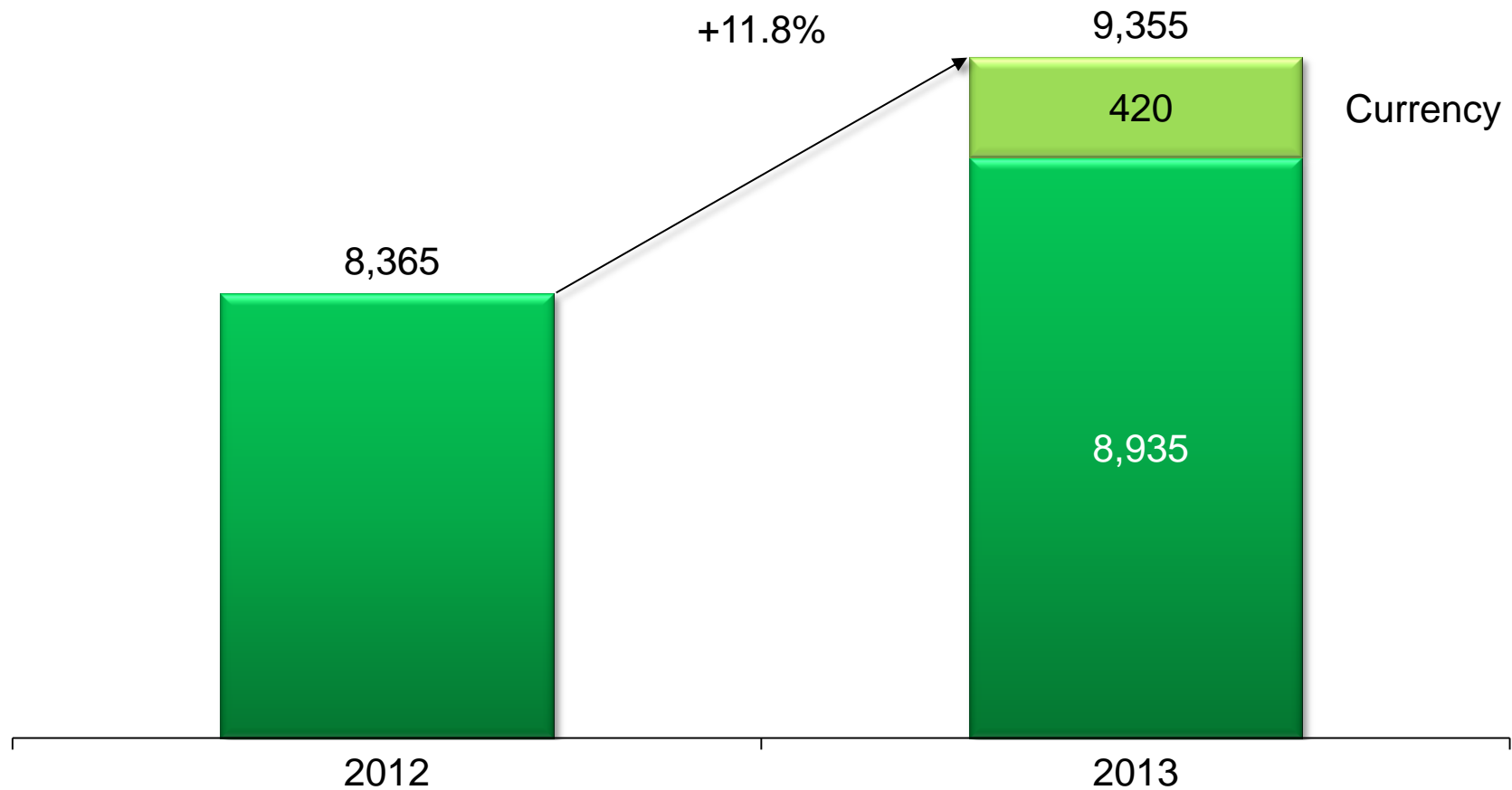
Megapolis

Free Cash Flow: Double-Digit Increase in 2013 excluding Currency



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(\$ million)

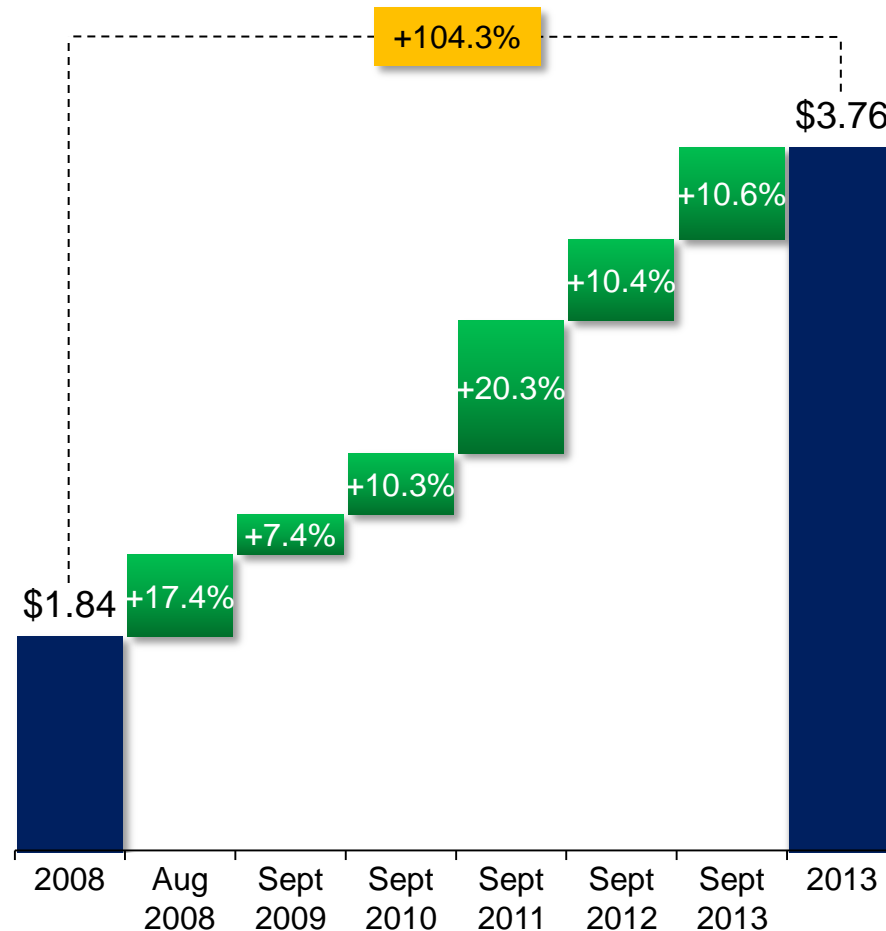


Note: Free cash flow is defined as net cash provided by operating activities less capital expenditures
Source: PMI Financials

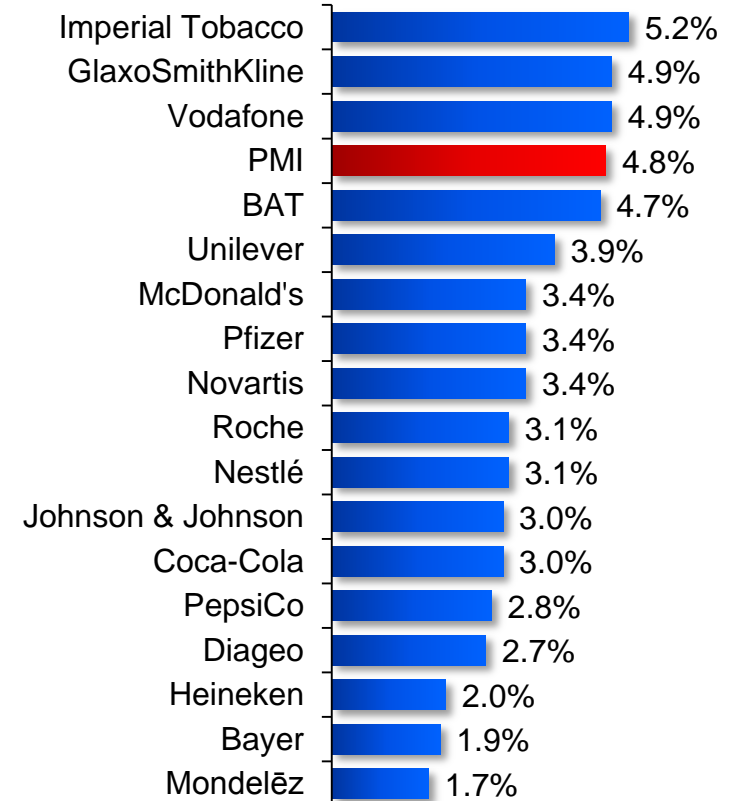
Rewarding Our Shareholders: Very Significant Dividend Increases



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Dividend Yield: Compensation Survey Group (January 31, 2014)



Note: Dividends for 2008 and 2013 are annualized rates. 2008 annualized rate is based on a quarterly dividend of \$0.46 per common share, declared June 18, 2008. The annualized rate for 2013 is based on a quarterly dividend of \$0.94 per common share, declared September 11, 2013. Dividend yield represents the annualized dividend on January 31, 2014, over the closing share price on that date. The share price for PMI was \$78.14 as of January 31, 2014. The annualized dividend was \$3.76

Source: PMI Financials



Rewarding Our Shareholders: Share Repurchases

- \$6.0 billion spent in 2013 to repurchase 67.2 million shares
- Over \$2 billion spent on business development opportunities in 2013
- Significant unfavorable impact of currency projected on reported results in 2014
- Approaching the high end of the ratios supporting our credit rating
- \$4.0 billion share repurchase target in 2014

Investments to Accelerate Commercialization of Reduced-Risk Products ("RRPs")



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- Pilot plant and new manufacturing facility with capacity of up to 30 billion units to be completed by end 2015. Associated capital expenditures of up to €500 million
- Clinical trials to be completed during 2014
- On-going perception and behavioral studies
- Packaging and labeling being prepared in anticipation of planned city pilot tests in second half of 2014
- First national RRP launch in 2015
- E-cigarette launch during second half of 2014
- Increased expenditures of \$100+ million in 2014



Conclusion: 2014, an Important Development Year

- Increased investments behind conventional and Reduced-Risk Products
- Improving outlook for Philippines and EU Region
- Japan remains a significant challenge
- Robust fundamentals and good market share momentum
- Business development projects adding to our profitability
- Currency volatility
- Expectation that, as of 2015, we should be able to meet our annual currency-neutral net revenues and adjusted OCI targets
- Strong free cash flow to be used to reward our shareholders through generous dividends and share repurchase programs



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2013 Fourth-Quarter and Full-Year Results

Questions & Answers

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures



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Adjustments for the Impact of Currency and Acquisitions For the Quarters Ended December 31, (\$ in millions) (Unaudited)

2013							2012							% Change in Reported Net Revenues excluding Excise Taxes		
Reported Net Revenues	Less Excise Taxes	Reported Net Revenues excluding Excise Taxes	Less Currency	Reported Net Revenues excluding Excise Taxes & Currency	Less Acquisitions	Reported Net Revenues excluding Excise Taxes, Currency & Acquisitions		Reported Net Revenues	Less Excise Taxes	Reported Net Revenues excluding Excise Taxes	Reported	excluding Currency	Reported excluding Currency & Acquisitions			
\$ 7,048	\$ 4,909	\$ 2,139	\$ 85	\$ 2,054	\$ -	\$ 2,054	European Union	\$ 6,684	\$ 4,621	\$ 2,063	3.7%	(0.4)%	(0.4)%			
5,349	3,092	2,257	(50)	2,307	-	2,307	EEMA	5,016	2,877	2,139	5.5%	7.9%	7.9%			
5,211	2,735	2,476	(268)	2,744	-	2,744	Asia	5,403	2,598	2,805	(11.7)%	(2.2)%	(2.2)%			
2,782	1,865	917	(66)	983	-	983	Latin America & Canada	2,639	1,757	882	4.0%	11.5%	11.5%			
\$ 20,390	\$ 12,601	\$ 7,789	\$ (299)	\$ 8,088	\$ -	\$ 8,088	PMI Total	\$ 19,742	\$ 11,853	\$ 7,889	(1.3)%	2.5%	2.5%			

2013							2012							% Change in Reported Operating Companies Income		
Reported Operating Companies Income		Less Currency	Reported Operating Companies Income excluding Currency	Less Acquisitions	Reported Operating Companies Income excluding Currency & Acquisitions			Reported Operating Companies Income		Reported Operating Companies Income	Reported	excluding Currency	Reported excluding Currency & Acquisitions			
\$ 1,011	\$ 39	\$ 972	\$ -	\$ 972	European Union	\$ 955		\$ 955	5.9%	1.8%	1.8%					
811	(59)	870	-	870	EEMA	921		921	(11.9)%	(5.5)%	(5.5)%					
1,055	(155)	1,210	-	1,210	Asia	1,129		1,129	(6.6)%	7.2%	7.2%					
358	(39)	397	-	397	Latin America & Canada	290		290	23.4%	36.9%	36.9%					
\$ 3,235	\$ (214)	\$ 3,449	\$ -	\$ 3,449	PMI Total	\$ 3,295		\$ 3,295	(1.8)%	4.7%	4.7%					

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures



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Reconciliation of Reported Operating Companies Income to Adjusted Operating Companies Income &
Reconciliation of Adjusted Operating Companies Income Margin, excluding Currency and Acquisitions
For the Quarters Ended December 31,
(\$ in millions)
(Unaudited)

2013							2012							% Change in Adjusted Operating Companies Income		
Reported Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisitions	Adjusted Operating Companies Income excluding Currency & Acquisitions		Reported Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income		Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions			
\$ 1,011	\$ (13)	\$ 1,024	\$ 39	\$ 985	\$ -	\$ 985	European Union	\$ 955	\$ (5)	\$ 960		6.7%	2.6%			
811	(264)	1,075	(59)	1,134	-	1,134	EEMA	921	(5)	926		16.1%	22.5%			
1,055	(19)	1,074	(155)	1,229	-	1,229	Asia	1,129	(15)	1,144		(6.1)%	7.4%			
358	(5)	363	(39)	402	-	402	Latin America & Canada	290	(8)	298		21.8%	34.9%			
\$ 3,235	\$ (301)	\$ 3,536	\$ (214)	\$ 3,750	\$ -	\$ 3,750	PMI Total	\$ 3,295	\$ (33)	\$ 3,328		6.3%	12.7%			

2013							2012							% Points Change		
Adjusted Operating Companies Income excluding Currency	Net Revenues excluding Excise Taxes & Currency ^(a)	Adjusted Operating Companies Income Margin excluding Currency	Adjusted Operating Companies Income excluding Currency & Acquisitions	Net Revenues excluding Excise Taxes, Currency & Acquisitions ^(a)	Adjusted Operating Companies Income Margin excluding Currency & Acquisitions	Adjusted Operating Companies Income	Adjusted Operating Companies Income	Net Revenues excluding Excise Taxes ^(a)	Adjusted Operating Companies Income Margin	Adjusted Operating Companies Income Margin excluding Currency	Adjusted Operating Companies Income Margin excluding Currency & Acquisitions					
\$ 985	\$ 2,054	48.0%	\$ 985	\$ 2,054	48.0%	\$ 985	\$ 960	\$ 2,063	46.5%	1.5	1.5					
1,134	2,307	49.2%	1,134	2,307	49.2%	926	926	2,139	43.3%	5.9	5.9					
1,229	2,744	44.8%	1,229	2,744	44.8%	1,144	1,144	2,805	40.8%	4.0	4.0					
402	983	40.9%	402	983	40.9%	298	298	882	33.8%	7.1	7.1					
\$ 3,750	\$ 8,088	46.4%	\$ 3,750	\$ 8,088	46.4%	\$ 3,328	\$ 3,328	\$ 7,889	42.2%	4.2	4.2					
PMI Total																

(a) For the calculation of net revenues excluding excise taxes, currency and acquisitions, refer to previous slide

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures



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Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS and Adjusted Diluted EPS, excluding Currency
For the Quarters Ended December 31,
(Unaudited)

	2013	2012	% Change
Reported Diluted EPS	\$ 1.24	\$ 1.25	(0.8)%
Adjustments:			
Asset impairment and exit costs	0.12	0.01	
Tax items	0.01	(0.02)	
Adjusted Diluted EPS	\$ 1.37	\$ 1.24	10.5%
Less:			
Currency impact	(0.11)		
Adjusted Diluted EPS, excluding Currency	\$ 1.48	\$ 1.24	19.4%

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Reconciliation of Non-GAAP Measures



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Reconciliation of Reported Diluted EPS to Reported Diluted EPS, excluding Currency
For the Quarters Ended December 31,
(Unaudited)

	<u>2013</u>	<u>2012</u>	<u>% Change</u>
Reported Diluted EPS	\$ 1.24	\$ 1.25	(0.8)%
Less:			
Currency impact	<u>(0.11)</u>	<u></u>	
Reported Diluted EPS, excluding Currency	<u>\$ 1.35</u>	<u>\$ 1.25</u>	8.0%

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures



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Adjustments for the Impact of Currency and Acquisitions
For the Years Ended December 31,
(\$ in millions)
(Unaudited)

2013								2012				% Change in Reported Net Revenues excluding Excise Taxes		
Reported Net Revenues	Less Excise Taxes	Reported Net Revenues excluding Excise Taxes	Less Currency	Reported Net Revenues excluding Excise Taxes & Currency	Less Acquisi- tions	Reported Net Revenues excluding Excise Taxes, Currency & Acquisitions		Reported Net Revenues	Less Excise Taxes	Reported Net Revenues excluding Excise Taxes	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions	
\$ 28,303	\$ 19,707	\$ 8,596	\$ 205	\$ 8,391	\$ -	\$ 8,391	European Union	\$ 27,338	\$ 18,812	\$ 8,526	0.8%	(1.6)%	(1.6)%	
20,695	11,929	8,766	(98)	8,864	-	8,864	EEMA	19,272	10,940	8,332	5.2%	6.4%	6.4%	
20,987	10,486	10,501	(726)	11,227	-	11,227	Asia	21,071	9,873	11,198	(6.2)%	0.3%	0.3%	
10,044	6,690	3,354	(146)	3,500	-	3,500	Latin America & Canada	9,712	6,391	3,321	1.0%	5.4%	5.4%	
\$ 80,029	\$ 48,812	\$ 31,217	\$ (765)	\$ 31,982	\$ -	\$ 31,982	PMI Total	\$ 77,393	\$ 46,016	\$ 31,377	(0.5)%	1.9%	1.9%	

2013					2012					% Change in Reported Operating Companies Income		
Reported Operating Companies Income	Less Currency	Reported Operating Companies Income excluding Currency	Less Acquisi-tions	Reported Operating Companies Income excluding Currency & Acquisitions		Reported Operating Companies Income	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions			
\$ 4,238	\$ 92	\$ 4,146	\$ -	\$ 4,146	European Union	\$ 4,187	1.2%	(1.0)%	(1.0)%			
3,779	(122)	3,901	-	3,901	EEMA	3,726	1.4%	4.7%	4.7%			
4,622	(548)	5,170	-	5,170	Asia	5,197	(11.1)%	(0.5)%	(0.5)%			
1,134	(64)	1,198	-	1,198	Latin America & Canada	1,043	8.7%	14.9%	14.9%			
\$ 13,773	\$ (642)	\$ 14,415	\$ -	\$ 14,415	PMI Total	\$ 14,153	(2.7)%	1.9%	1.9%			

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures



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Reconciliation of Reported Operating Companies Income to Adjusted Operating Companies Income &
Reconciliation of Adjusted Operating Companies Income Margin, excluding Currency and Acquisitions
For the Years Ended December 31,
(\$ in millions)
(Unaudited)

2013							2012							% Change in Adjusted Operating Companies Income		
Reported Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisi-tions	Adjusted Operating Companies Income excluding Currency & Acquisitions		Reported Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income		Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions			
\$ 4,238	\$ (13)	\$ 4,251	\$ 92	\$ 4,159	\$ -	\$ 4,159	European Union	\$ 4,187	\$ (5)	\$ 4,192	1.4%	(0.8)%	(0.8)%			
3,779	(264)	4,043	(122)	4,165	-	4,165	EEMA	3,726	(5)	3,731	8.4%	11.6%	11.6%			
4,622	(27)	4,649	(548)	5,197	-	5,197	Asia	5,197	(39)	5,236	(11.2)%	(0.7)%	(0.7)%			
1,134	(5)	1,139	(64)	1,203	-	1,203	Latin America & Canada	1,043	(34)	1,077	5.8%	11.7%	11.7%			
\$ 13,773	\$ (309)	\$ 14,082	\$ (642)	\$ 14,724	\$ -	\$ 14,724	PMI Total	\$ 14,153	\$ (83)	\$ 14,236	(1.1)%	3.4%	3.4%			

2013							2012							% Points Change		
Adjusted Operating Companies Income excluding Currency	Net Revenues excluding Excise Taxes & Currency ^(a)	Adjusted Operating Companies Income Margin excluding Currency	Adjusted Operating Companies Income excluding Currency & Acquisitions	Net Revenues excluding Excise Taxes, Currency & Acquisitions ^(a)	Adjusted Operating Companies Income Margin excluding Currency & Acquisitions	Adjusted Operating Companies Income	Adjusted Operating Companies Income	Net Revenues excluding Excise Taxes ^(a)	Adjusted Operating Companies Income Margin	Adjusted Operating Companies Income Margin excluding Currency	Adjusted Operating Companies Income Margin excluding Currency & Acquisitions	Adjusted Operating Companies Income	Adjusted Operating Companies Income	Adjusted Operating Companies Income	Adjusted Operating Companies Income	Adjusted Operating Companies Income
\$ 4,159	\$ 8,391	49.6%	\$ 4,159	\$ 8,391	49.6%	\$ 4,159	\$ 4,192	\$ 8,526	49.2%	0.4	0.4	\$ 4,192	\$ 8,526	49.2%	0.4	0.4
4,165	8,864	47.0%	4,165	8,864	47.0%	4,165	3,731	8,332	44.8%	2.2	2.2	3,731	8,332	44.8%	2.2	2.2
5,197	11,227	46.3%	5,197	11,227	46.3%	5,197	5,236	11,198	46.8%	(0.5)	(0.5)	5,236	11,198	46.8%	(0.5)	(0.5)
1,203	3,500	34.4%	1,203	3,500	34.4%	1,203	1,077	3,321	32.4%	2.0	2.0	1,077	3,321	32.4%	2.0	2.0
\$ 14,724	\$ 31,982	46.0%	\$ 14,724	\$ 31,982	46.0%	\$ 14,724	\$ 14,236	\$ 31,377	45.4%	0.6	0.6	\$ 14,236	\$ 31,377	45.4%	0.6	0.6
PMI Total																

(a) For the calculation of net revenues excluding excise taxes, currency and acquisitions, refer to previous slide

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures



PHILIP MORRIS
INTERNATIONAL

Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS and Adjusted Diluted EPS, excluding Currency
For the Years Ended December 31,
(Unaudited)

	2013	2012	% Change
Reported Diluted EPS	\$ 5.26	\$ 5.17	1.7%
Adjustments:			
Asset impairment and exit costs	0.12	0.03	
Tax items	0.02	0.02	
Adjusted Diluted EPS	\$ 5.40	\$ 5.22	3.4%
Less:			
Currency impact	(0.34)		
Adjusted Diluted EPS, excluding Currency	\$ 5.74	\$ 5.22	10.0%

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures



PHILIP MORRIS
INTERNATIONAL

Reconciliation of Reported Diluted EPS to Reported Diluted EPS, excluding Currency
For the Years Ended December 31,
(Unaudited)

	<u>2013</u>	<u>2012</u>	<u>% Change</u>
Reported Diluted EPS	\$ 5.26	\$ 5.17	1.7%
Less:			
Currency impact	<u>(0.34)</u>	<u></u>	
Reported Diluted EPS, excluding Currency	<u>\$ 5.60</u>	<u>\$ 5.17</u>	8.3%

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures



PHILIP MORRIS
INTERNATIONAL

Reconciliation of Operating Cash Flow to Free Cash Flow and Free Cash Flow, excluding Currency
For the Quarters and Years Ended December 31,
(\$ in millions)
(Unaudited)

	For the Quarters Ended December 31,			For the Years Ended December 31,		
	2013	2012	% Change	2013	2012	% Change
Net cash provided by operating activities^(a)	\$ 2,320	\$ 1,650	40.6%	\$ 10,135	\$ 9,421	7.6%
Less:						
Capital expenditures	379	337		1,200	1,056	
Free Cash Flow	\$ 1,941	\$ 1,313	47.8%	\$ 8,935	\$ 8,365	6.8%
Less:						
Currency impact	(285)			(420)		
Free Cash Flow, excluding Currency	\$ 2,226	\$ 1,313	69.5%	\$ 9,355	\$ 8,365	11.8%

(a) Operating Cash Flow