



PHILIP MORRIS
INTERNATIONAL

Designing a Smoke-Free Future

Annual Meeting of Shareholders

New York
May 3, 2017

Louis C. Camilleri
Chairman

André Calantzopoulos
Chief Executive Officer



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Forward-Looking and Cautionary Statements

- This presentation and related discussion contain projections of future results and other forward-looking statements. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. In the event that risks or uncertainties materialize, or underlying assumptions prove inaccurate, actual results could vary materially from those contained in such forward-looking statements. Pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, PMI is identifying important factors 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 PMI
- PMI's business risks include: excise tax increases and discriminatory tax structures; increasing marketing and regulatory restrictions that could reduce our competitiveness, eliminate our ability to communicate with adult consumers, or ban certain of our 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, natural disasters and conflicts; 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, and limitations on the ability to repatriate funds; 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 and commercialize reduced-risk products; 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, 2017. 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, adjustments and other calculations, as well as reconciliations to the most directly comparable U.S. GAAP measures, are at the end of today's webcast slides, which are posted on our website
- "Reduced-risk products," or "RRPs," is the term PMI uses to refer to products that present, are likely to present, or have the potential to present less risk of harm to smokers who switch to these products versus continued smoking



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2016: A Pivotal Year for PMI

- Exciting progress in our transformation to a smoke-free future
- Cigarette portfolio remained the driver of our income growth
- RRP portfolio showing clear signs of its enormous potential

Note: "Reduced-risk products," or "RRPs," is the term PMI uses to refer to products that present, are likely to present, or have the potential to present less risk of harm to smokers who switch to these products versus continued smoking

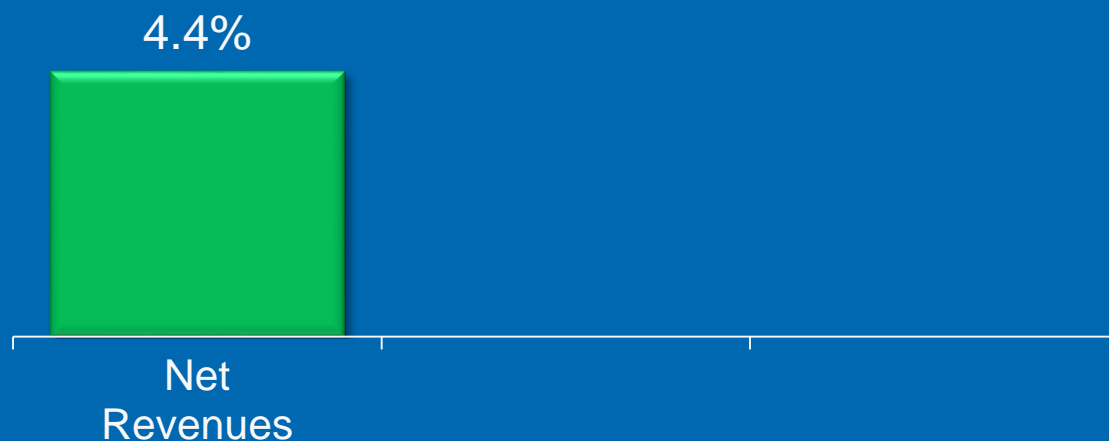
Source: PMI Financials or estimates



2016: Strong Financial Results, ex-Currency

Growth vs. PY^(a)

- Favorable pricing variance
- Strong performance of RRPs, notably heated tobacco units and IQOS devices



(a) Excluding currency

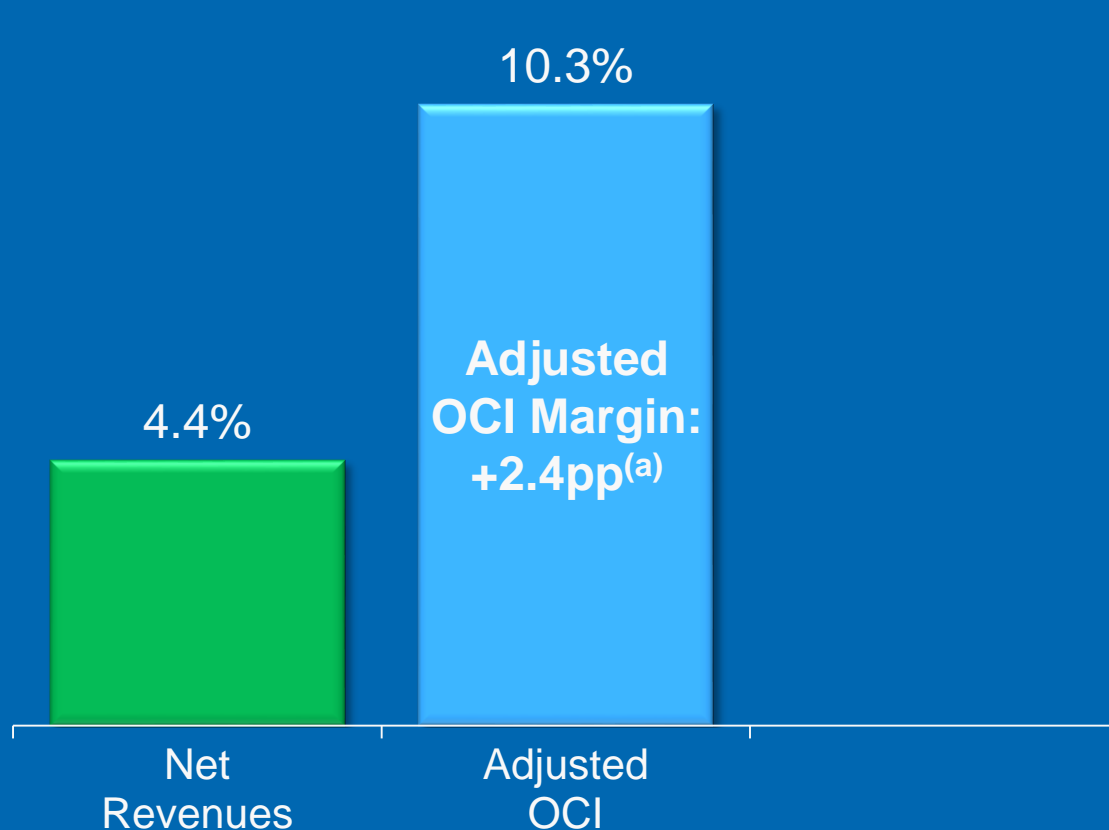
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Source: PMI Financials or estimates



2016: Strong Financial Results, ex-Currency

Growth vs. PY^(a)



- Favorable pricing variance
- Strong performance of RRPs, notably heated tobacco units and IQOS devices
- Robust adjusted OCI growth, ex-currency, driven by:
 - Higher net revenues
 - Favorable cost comparison vs. 2015, despite continued investment behind RRPs

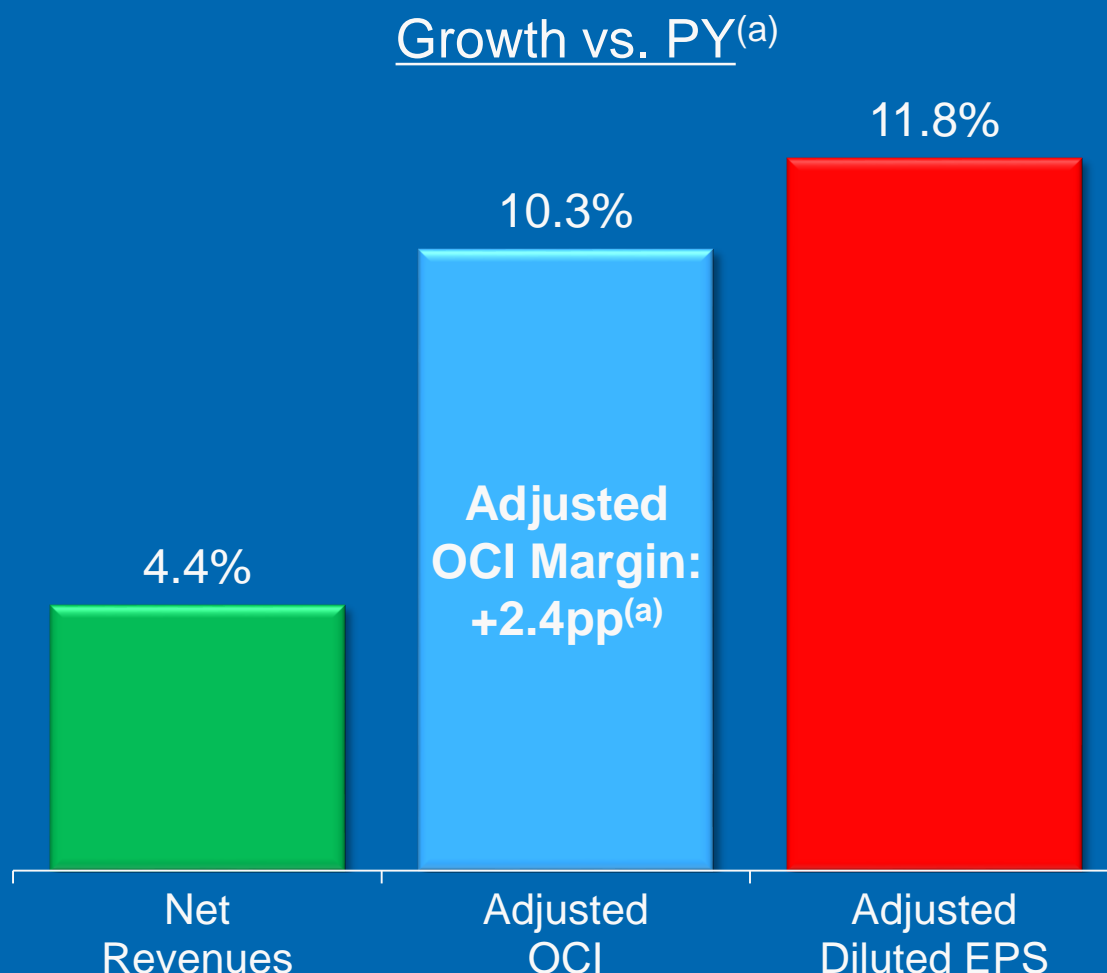
(a) Excluding currency

Note: "Reduced-risk products," or "RRPs," is the term PMI uses to refer to products that present, are likely to present, or have the potential to present less risk of harm to smokers who switch to these products versus continued smoking

Source: PMI Financials or estimates



2016: Strong Financial Results, ex-Currency



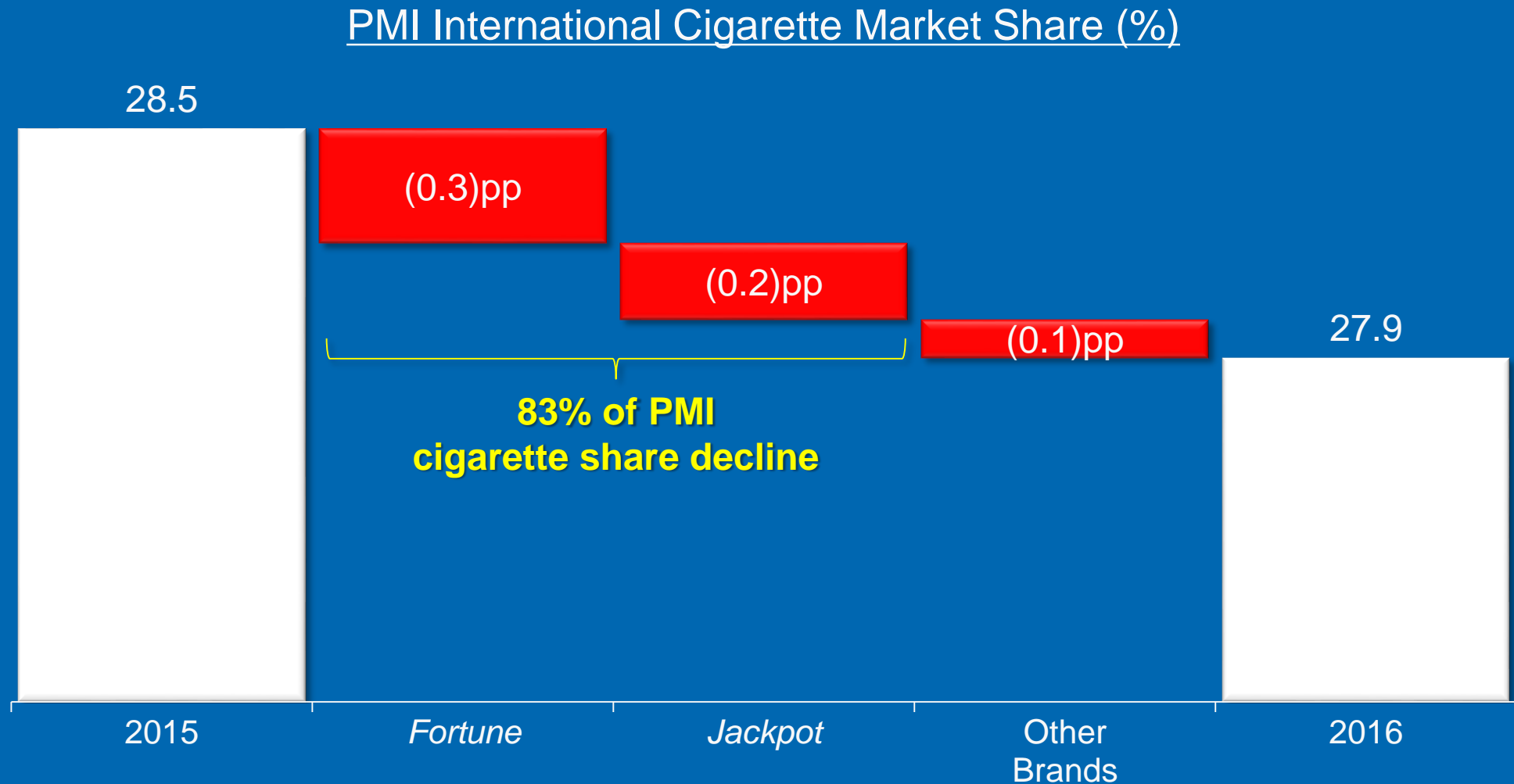
- Favorable pricing variance
- Strong performance of RRP^s, notably heated tobacco units and IQOS devices
- Robust adjusted OCI growth, ex-currency, driven by:
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 - Favorable cost comparison vs. 2015, despite continued investment behind RRP^s

(a) Excluding currency

Note: "Reduced-risk products," or "RRP^s," is the term PMI uses to refer to products that present, are likely to present, or have the potential to present less risk of harm to smokers who switch to these products versus continued smoking

Source: PMI Financials or estimates

2016: PMI Cigarette Market Share Decline Mainly Due to Lower-Priced Brands in the Philippines



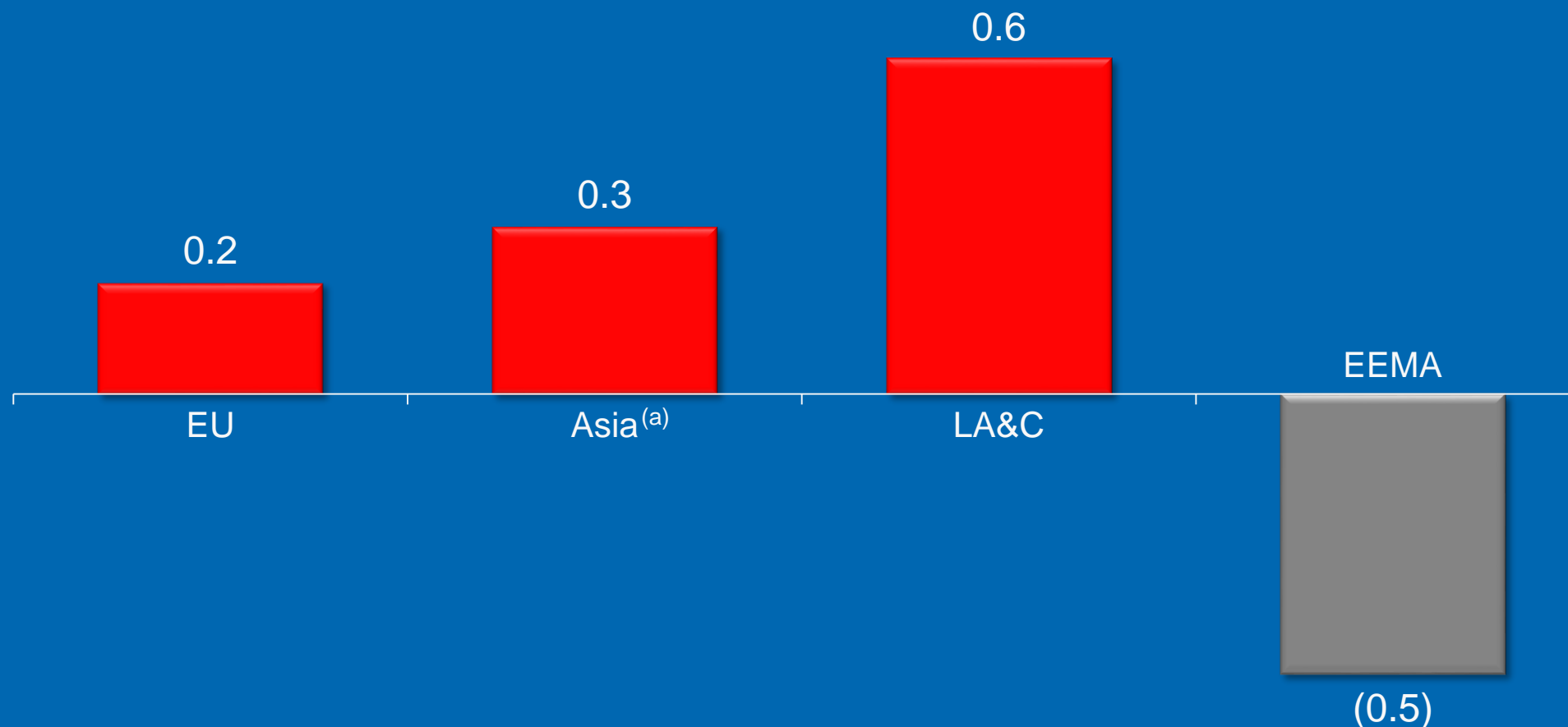
Note: PMI international cigarette market share is defined as PMI total sales volume for cigarettes as a percentage of the total industry estimated sales volume for cigarettes. Excluding China and the U.S.
Source: PMI Financials or estimates



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2016: Robust *Marlboro* Cigarette Share Performance Overall

Marlboro Regional Cigarette Market Share Variance vs. PY (pp)



(a) Excluding China

Note: *Marlboro* Regional cigarette market share is defined as *Marlboro* sales volume for cigarettes as a percentage of the total industry estimated sales volume for cigarettes

Source: PMI Financials or estimates



Q1, 2017: Results Generally as Expected; Lower Cigarette Volume

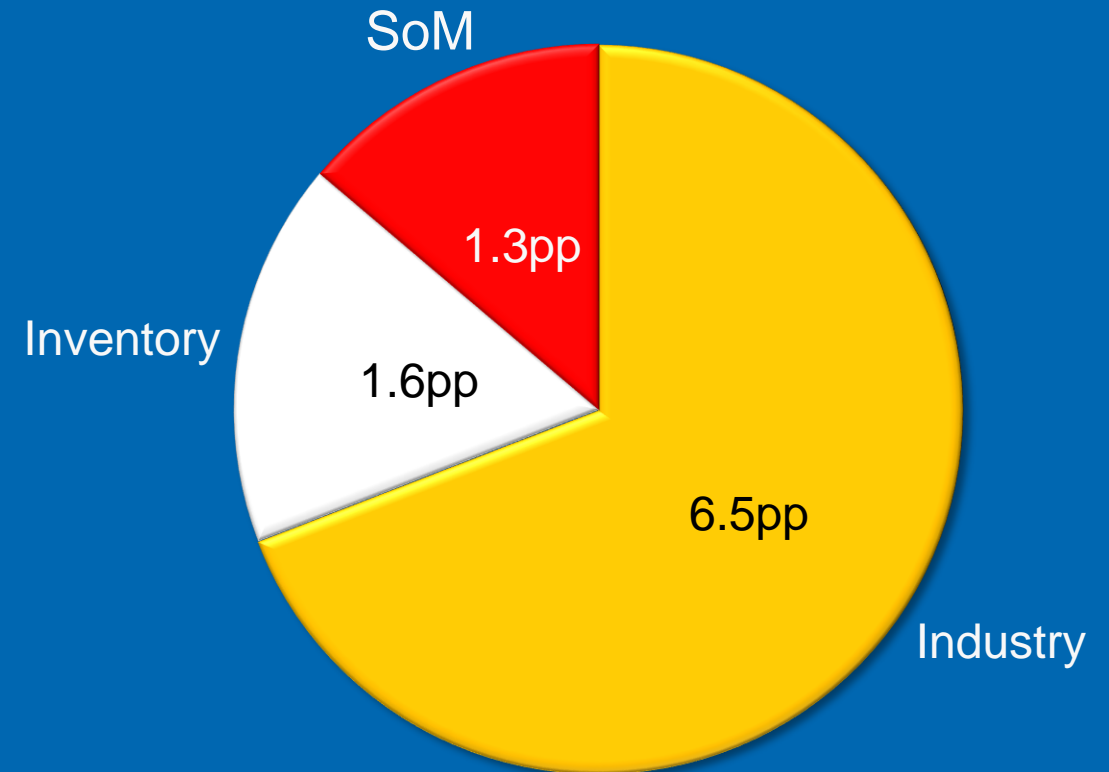
- Q1 results generally came in as expected, though cigarette shipment volume was lower than anticipated
- Net revenues up by 1.7%, ex-currency, driven by:
 - Strong pricing, particularly in the Asia and EEMA Regions
 - Higher RRP volumes
- Adjusted OCI down by 1.7%, ex-currency, partly reflecting significantly higher investments behind IQOS
- Flat adjusted diluted EPS, with no currency impact

Note: "Reduced-risk products," or "RRPs," is the term PMI uses to refer to products that present, are likely to present, or have the potential to present less risk of harm to smokers who switch to these products versus continued smoking

Source: PMI Financials or estimates

Q1, 2017: PMI Volume Decline Driven Mainly by Lower Industry

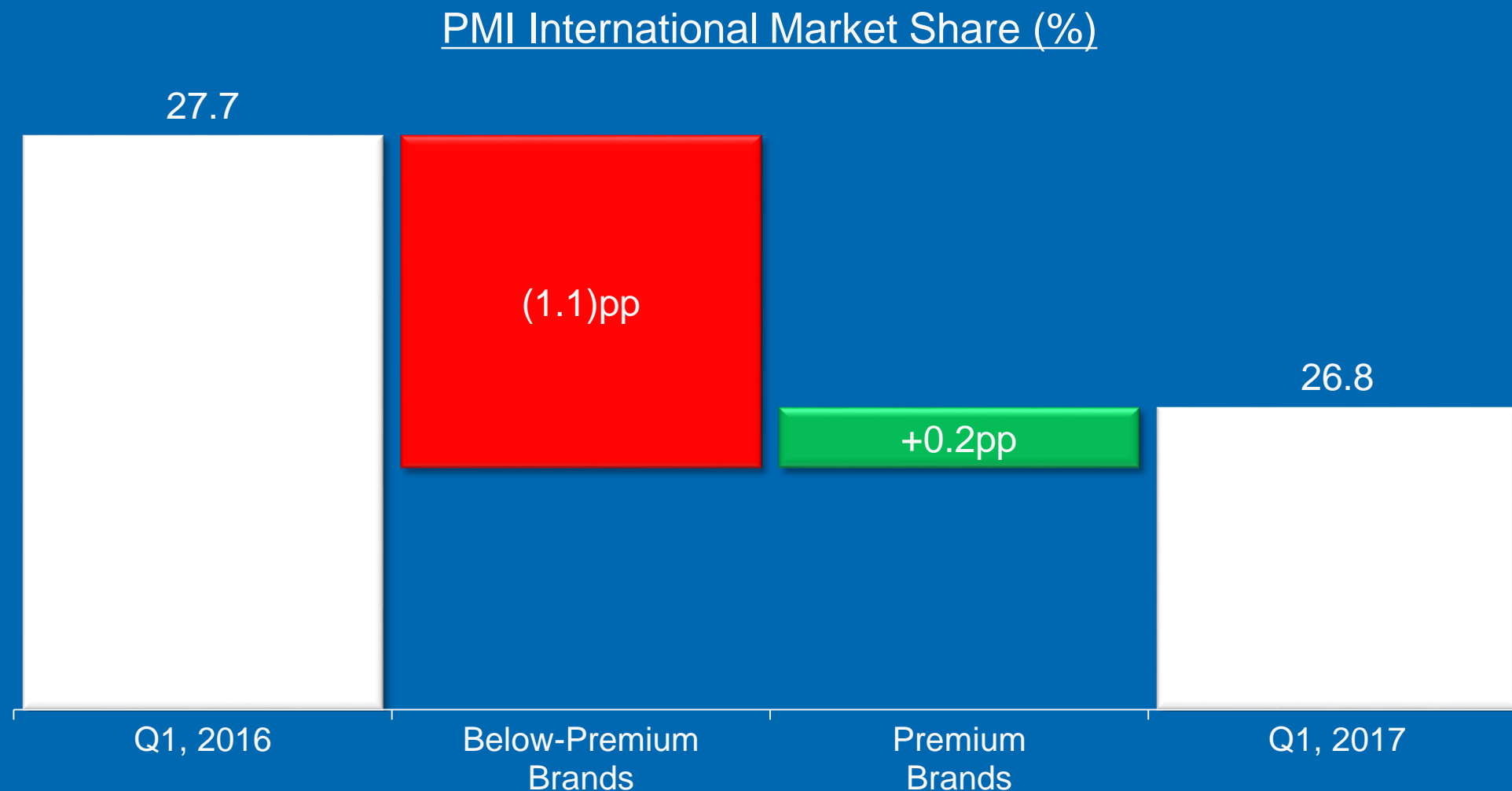
- PMI volume declined by 9.4%, due primarily to:
 - Impact of lower cigarette industry volume
 - Unfavorable inventory movements
- Nearly 45% of the decline was due specifically to lower cigarette volume in Pakistan and the Philippines, and the cigarette inventory movements in Italy and Spain



Split of 9.4% PMI Volume Decline



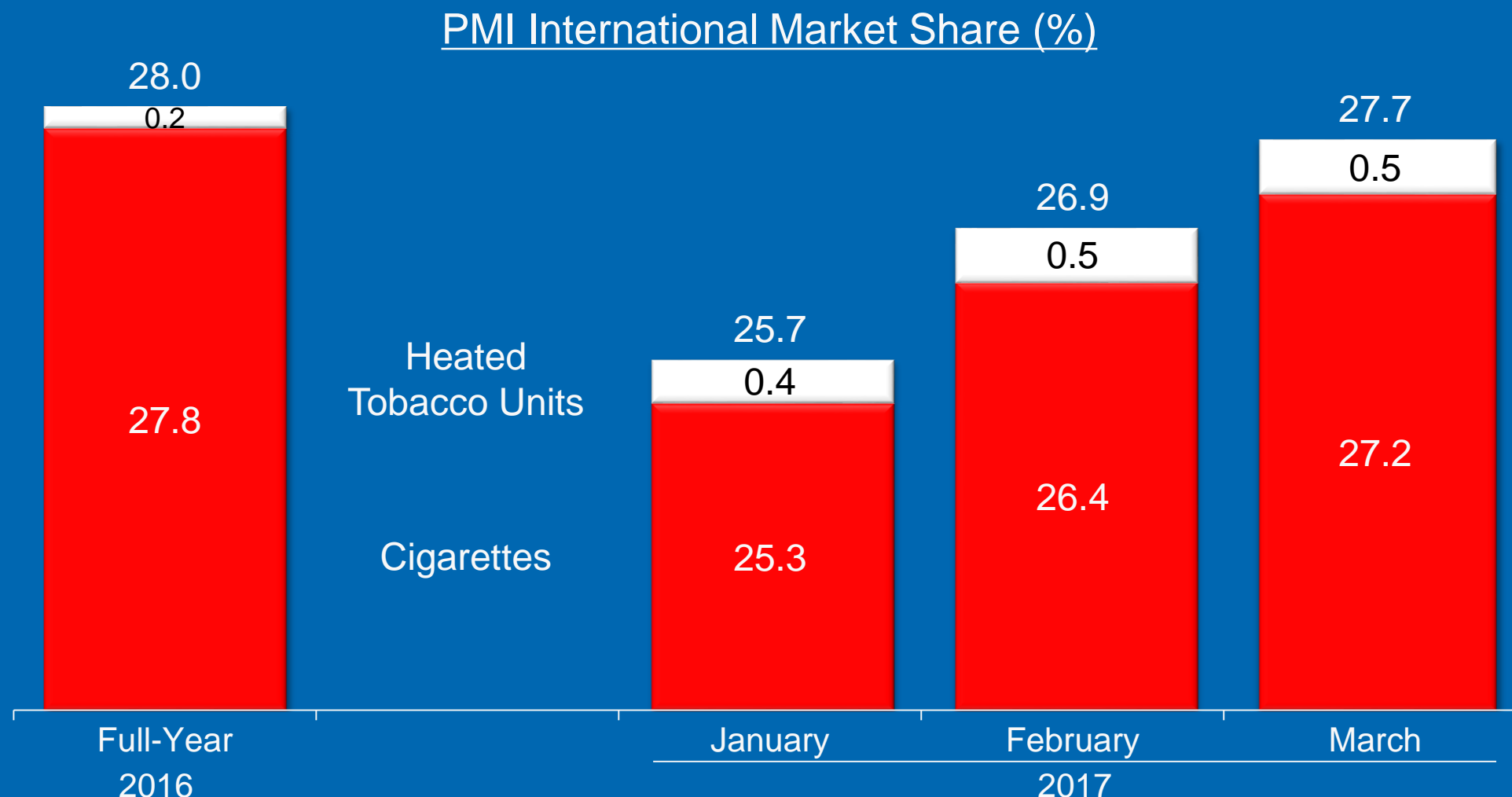
Q1, 2017: PMI Market Share Decline Due to Low-Price Segment



Note: PMI international market share is defined as PMI total sales volume for cigarettes and heated tobacco units as a percentage of the total industry estimated sales volume for cigarettes and PMI heated tobacco units. Excluding China and the U.S. Below-premium includes mid, low and super-low. Premium also includes above-premium
Source: PMI Financials or estimates



Q1, 2017: PMI Monthly Sequential Share Growth



Note: PMI international market share is defined as PMI total sales volume for cigarettes and heated tobacco units as a percentage of the total industry estimated sales volume for cigarettes and PMI heated tobacco units. Excluding China and the U.S.

Source: PMI Financials or estimates



2017: Strong Outlook for Full-Year Remains Intact

- Full-year key assumptions remain intact:
 - Target currency-neutral net revenue growth above 6%, supported by robust pricing across all Regions, as well as higher heated tobacco unit and IQOS sales
- Expect our volume to decline by 3% to 4%, broadly in line with 2016
- Three main factors support the expected improvement for the full year:
 - The lapping of challenging H1, 2017 comparisons vs. 2016 in select geographies such as Argentina, the EU Region and Turkey
 - Lower impact of estimated unfavorable inventory movements on a full-year basis
 - Significantly higher heated tobacco unit volume, particularly in H2, 2017



Designing a Smoke-Free Future



**Over
2 million
adult consumers**
have already
stopped smoking and
switched to IQOS

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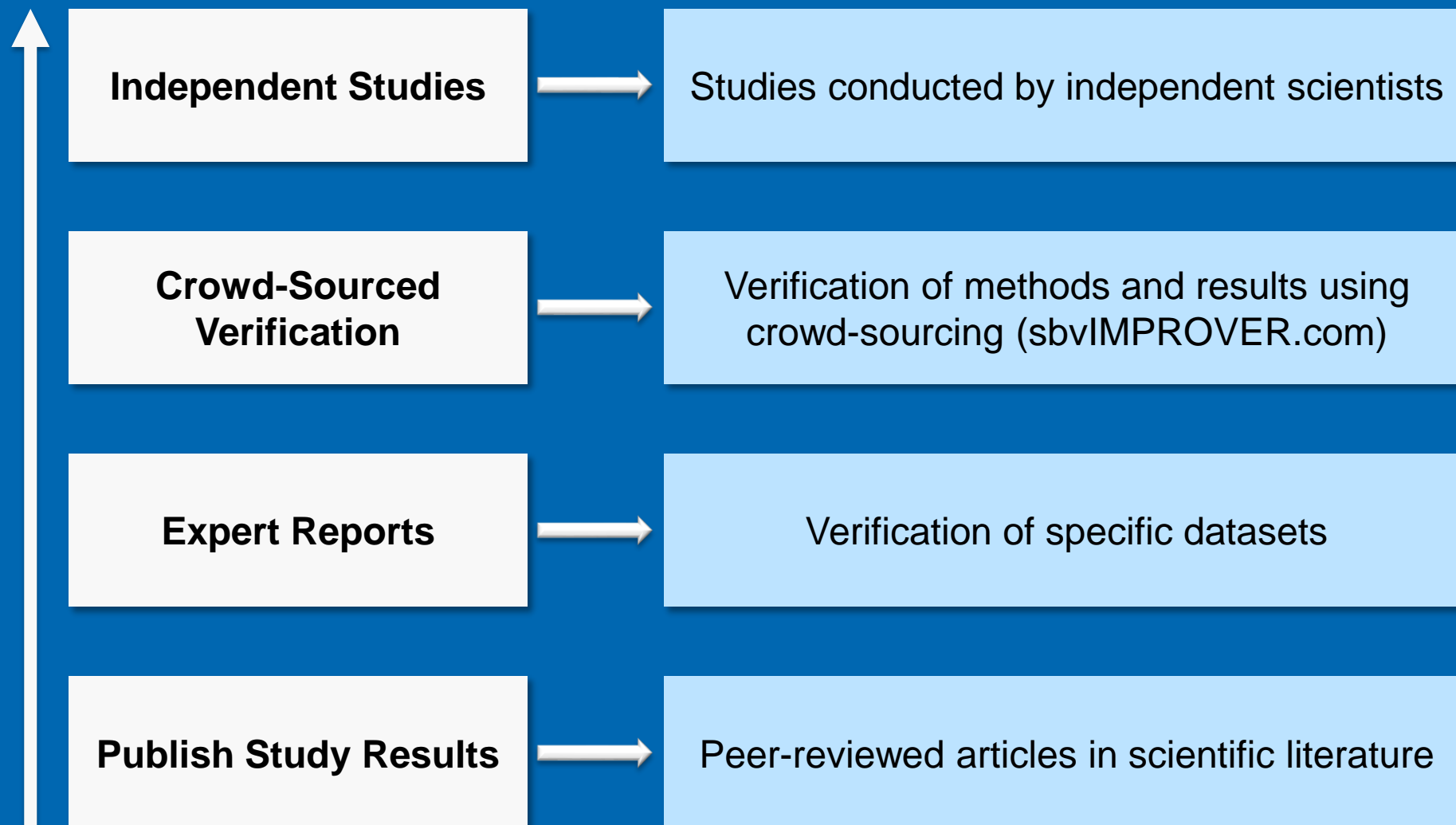


RRPs: Developing World-Class Science

- PMI is continuously investing behind enhancing its innovation and scientific capabilities across all RRP platforms and related ecosystems, with a laser focus on consumer experience and scientifically proven, transparent information
- PMI's world-class science for the assessment of individual risk and population harm reduction has become a core competency and will remain so
- Competitors in the RRP category should adopt this same approach, for the benefit of consumers, the public health community and regulators



RRPs: Independent Verification of PMI's Science



Note: "Reduced-risk products," or "RRPs," is the term PMI uses to refer to products that present, are likely to present, or have the potential to present less risk of harm to smokers who switch to these products versus continued smoking



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RRPs: PMI's Full Commitment to Transparency

- PMI is fully committed to the transparency of our scientific methods, protocols and results
- We will make our proposed methods and protocols publicly available, and invite scientific comments and contributions
- Protocols accepted or requested by the regulators, including the U.S. Food and Drug Administration, should be applied by all who undertake research in this field



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RRPs: Regulatory Principles

- Regulatory frameworks should be as innovative as the smoke-free products that are now available



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- Not every product that contains tobacco or nicotine is identical or justifies the same rules and restrictions



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- Best health choice for smokers is to quit, and cessation should remain a key regulatory objective



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- Regulations should set the right standards on how innovative alternatives to cigarettes should be developed, assessed and manufactured
- Best health choice for smokers is to quit, and cessation should remain a key regulatory objective
- Regulation needs to let people hear and understand the full picture about smoke-free alternatives



RRPs: U.S. Food & Drug Administration Submissions for IQOS

- Submitted Modified Risk Tobacco Product Application in December 2016
- Submitted Premarket Tobacco Product Application in March 2017
- Applications consistent with our strategy for the commercialization of IQOS by Altria in the U.S.

RRPs: Our Product Platforms

Heated Tobacco Products

Platform

1



Platform

2



Platform

3



Platform

4



Note: "Reduced-risk products," or "RRPs," is the term PMI uses to refer to products that present, are likely to present, or have the potential to present less risk of harm to smokers who switch to these products versus continued smoking. The products depicted are subject to ongoing development and therefore the visuals are illustrative and do not necessarily represent the latest stages of product development



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RRPs: Our Portfolio Approach



Heated Tobacco Products



Products Without Tobacco

Note: "Reduced-risk products," or "RRPs," is the term PMI uses to refer to products that present, are likely to present, or have the potential to present less risk of harm to smokers who switch to these products versus continued smoking

/QOS: Launched in Key Cities in 25 Markets To Date

EU Region

- Denmark
- France
- Germany
- Greece
- Italy
- Lithuania
- Monaco
- Netherlands
- Poland
- Portugal
- Romania
- Spain
- Switzerland
- United Kingdom

EEMA Region

- Duty Free^(a)
- Israel
- Kazakhstan
- Russia
- Serbia
- South Africa
- Ukraine

Asia Region

- Japan
- New Zealand

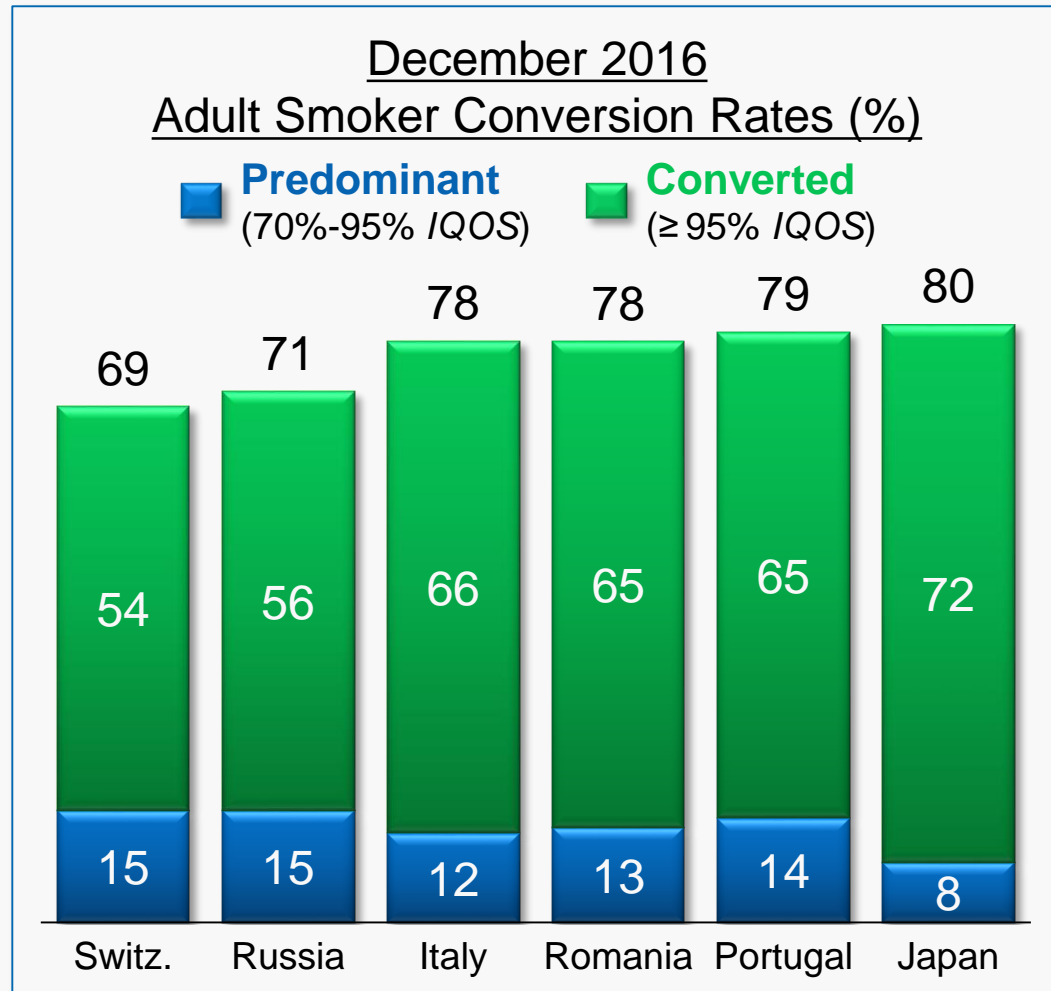
LA&C Region

- Canada
- Colombia



(a) Japan (Chitose, Chubu, Fukuoka, Osaka and Tokyo airports); Switzerland (Geneva and Zurich airports)

IQOS: High Conversion Rates



Note: Switz. is Switzerland

Source: Switzerland / Russia / Italy / Romania / Japan IQOS User Panels





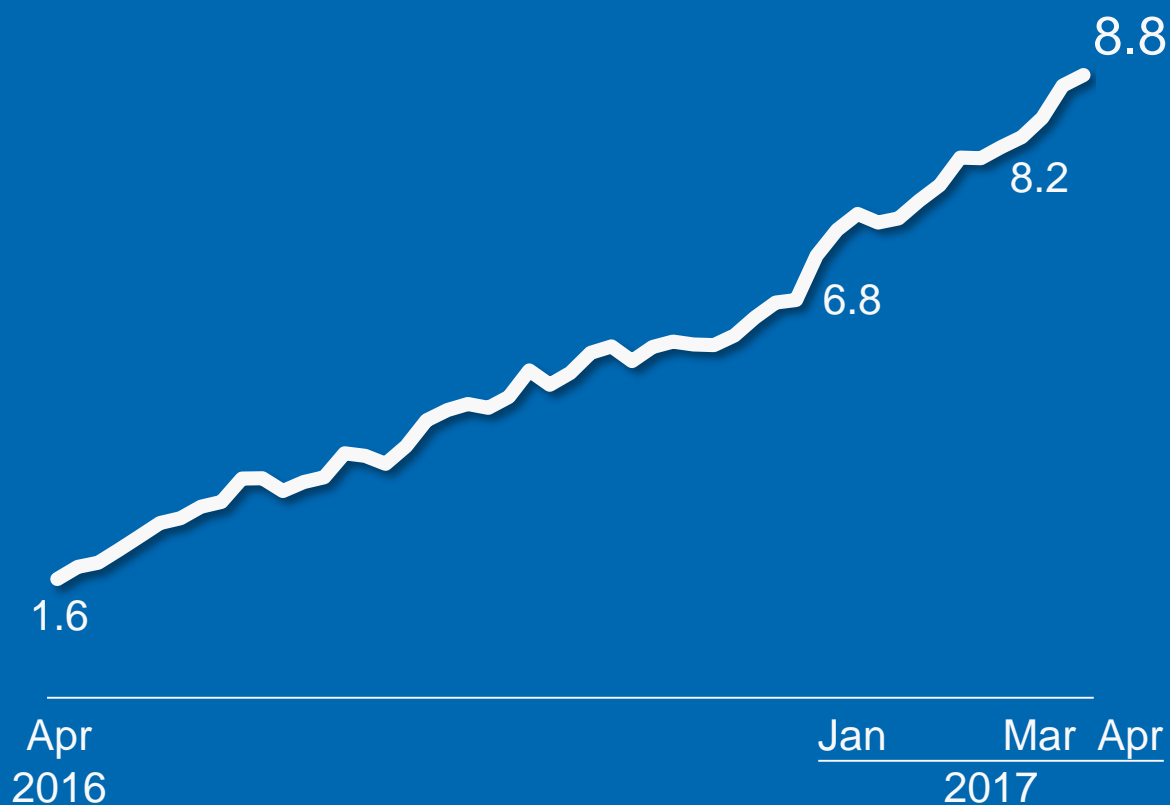
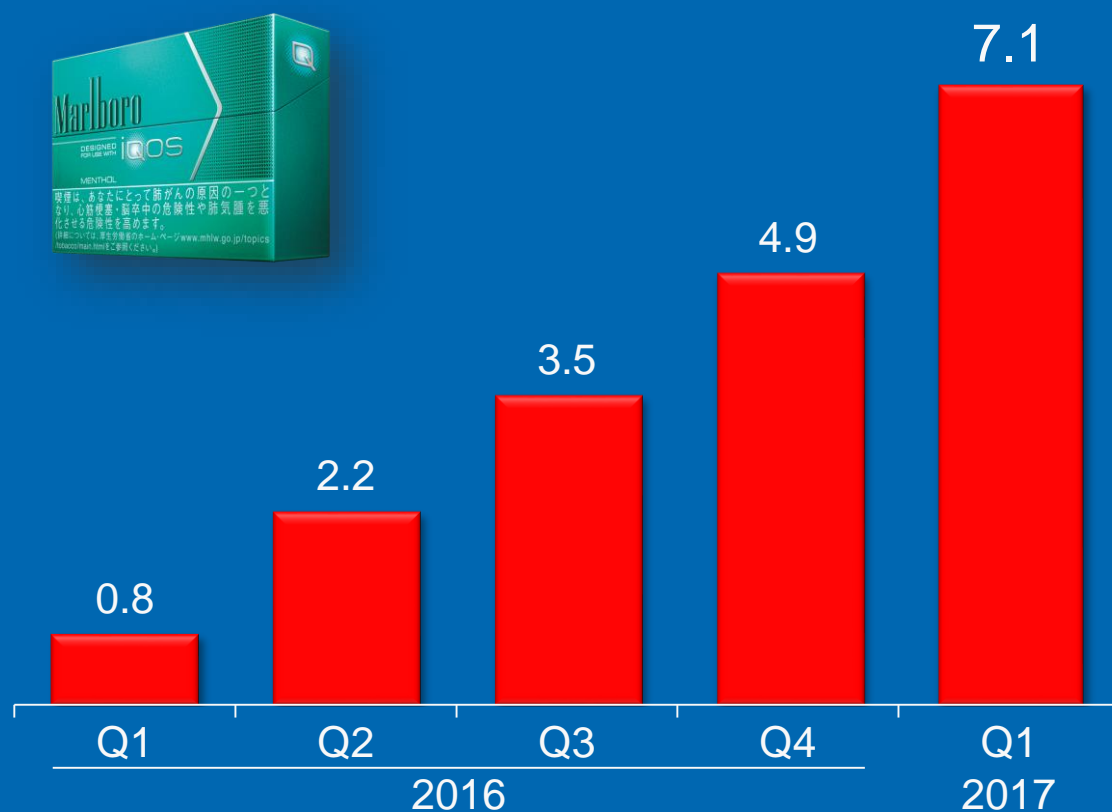
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IQOS: Marlboro HeatSticks Share Growth in Japan Continues

Heated Tobacco Unit Market Shares (%)

Quarterly

Weekly

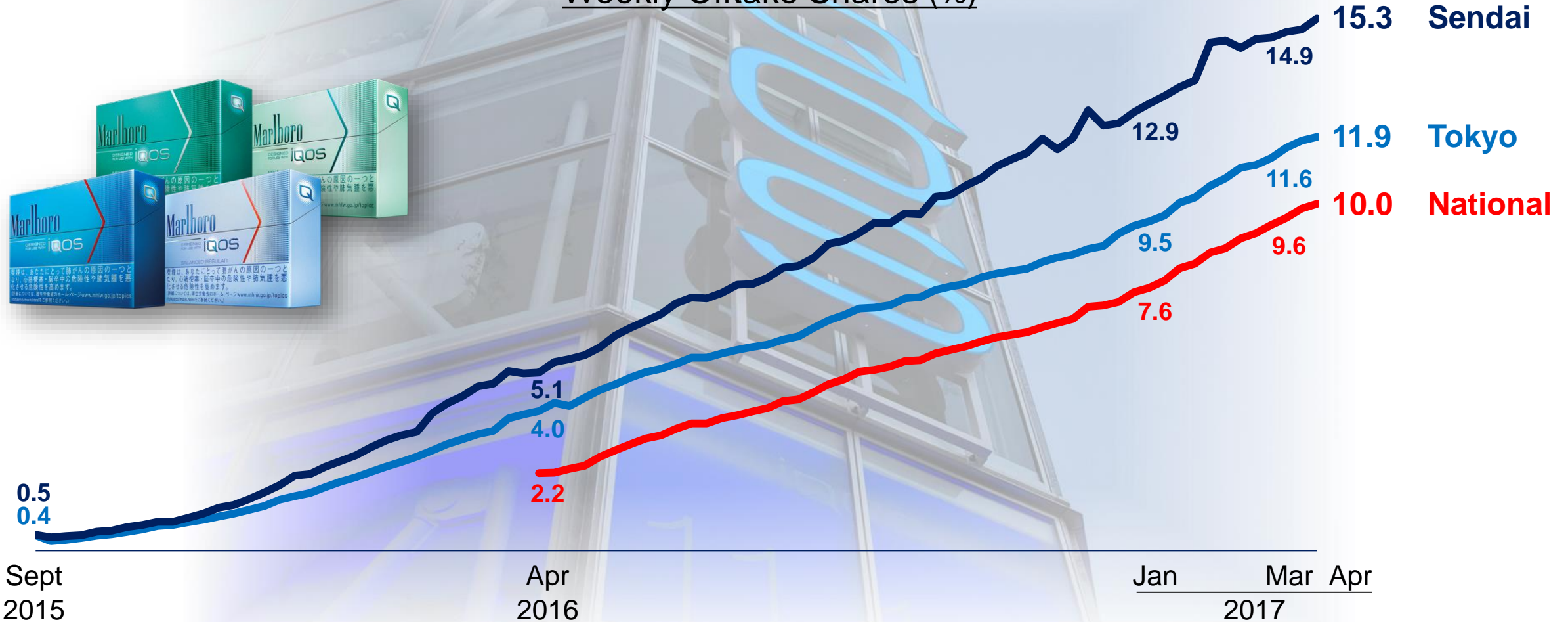


Note: Pack design is for illustrative purposes only

Source: PMI Financials or estimates, and Tobacco Institute of Japan

IQOS: Marlboro HeatSticks Share Growth in Japan Continues

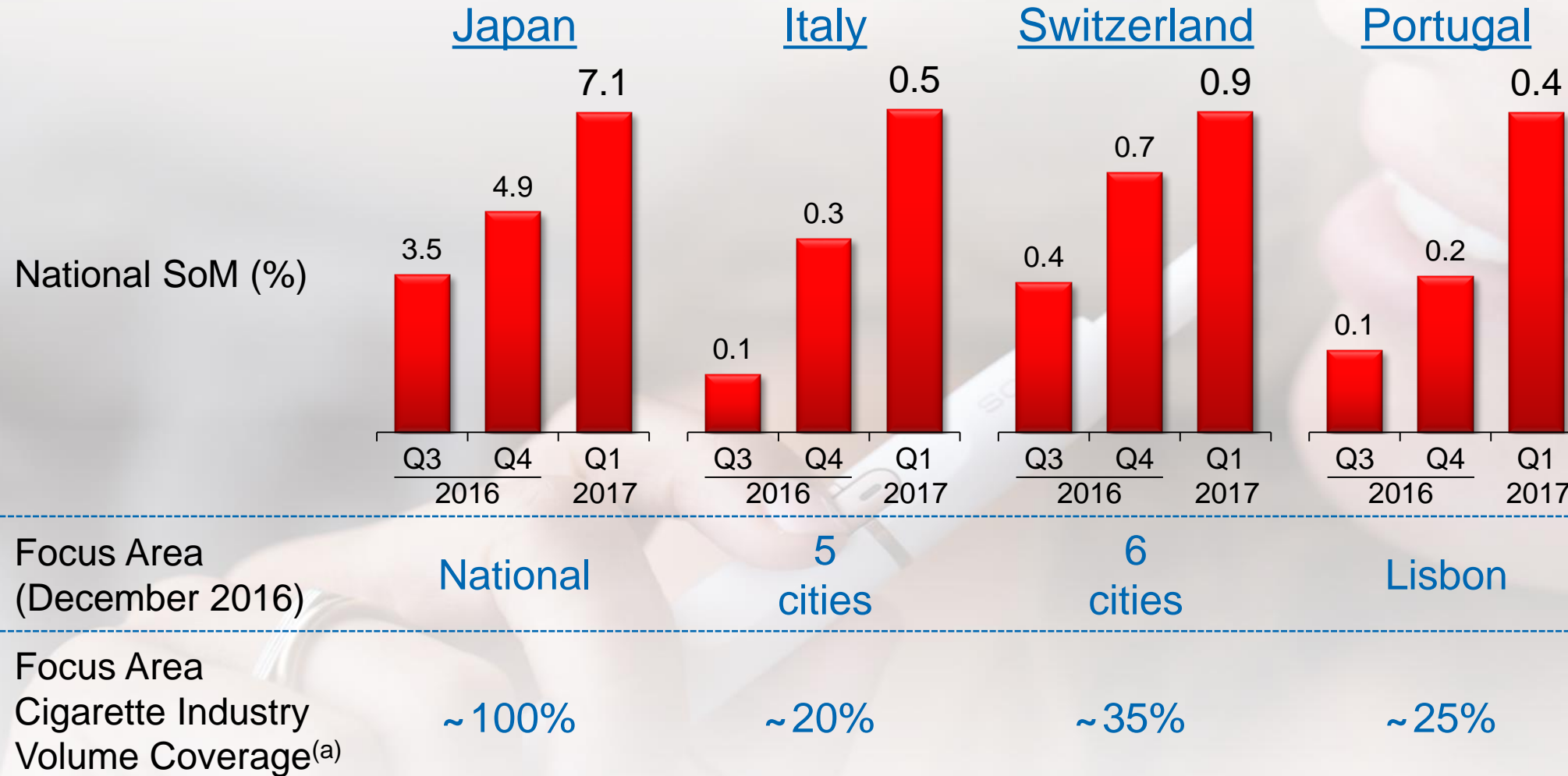
Weekly Offtake Shares (%)



Note: Offtake share represents select C-Store sales volume for *Marlboro HeatSticks* as a percentage of the total estimated retail sales volume for cigarettes and heated tobacco units. Pack designs are for illustrative purposes only

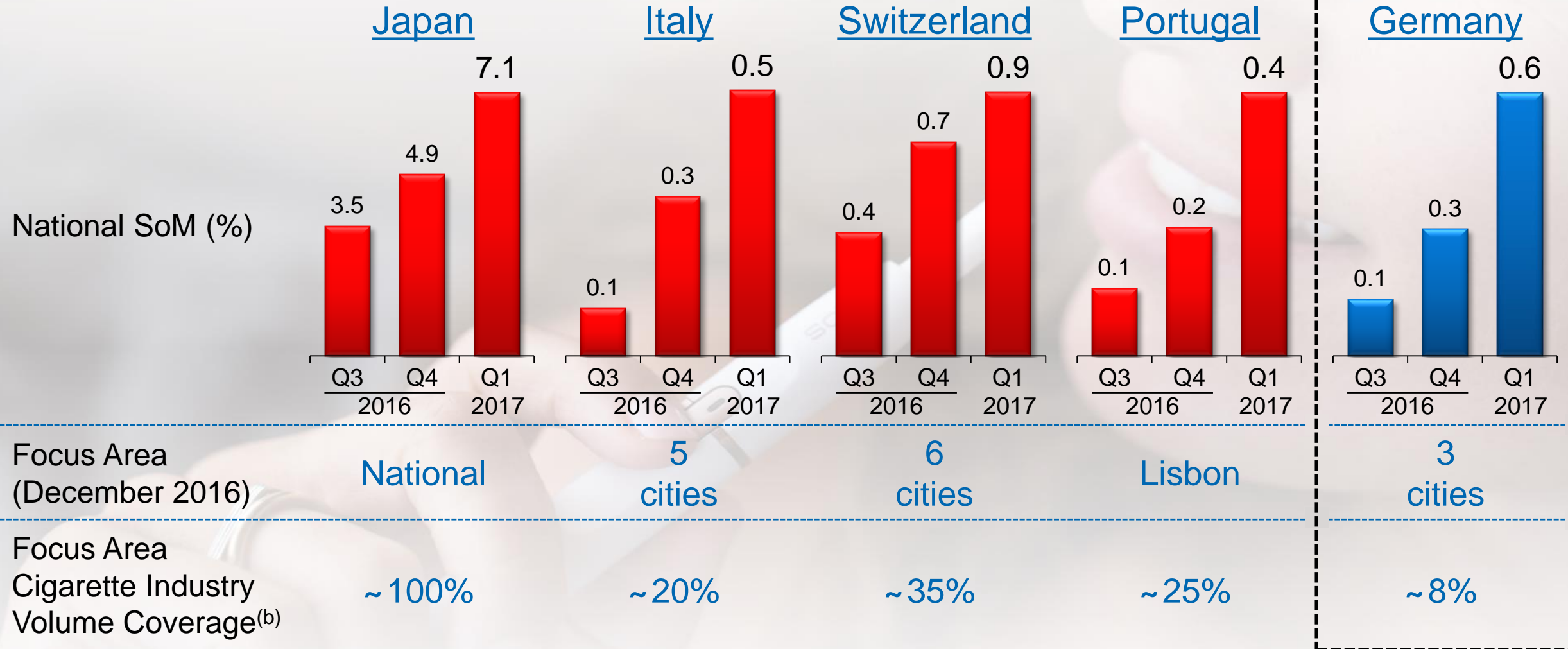
Source: PMI Financials or estimates

IQOS: Growing Heated Tobacco Unit National Market Shares



(a) Portion of cigarette industry volume covered by IQOS focus area in each market (as of December 2016)
Source: PMI Financials or estimates

IQOS: Growing Heated Tobacco Unit National Market Shares



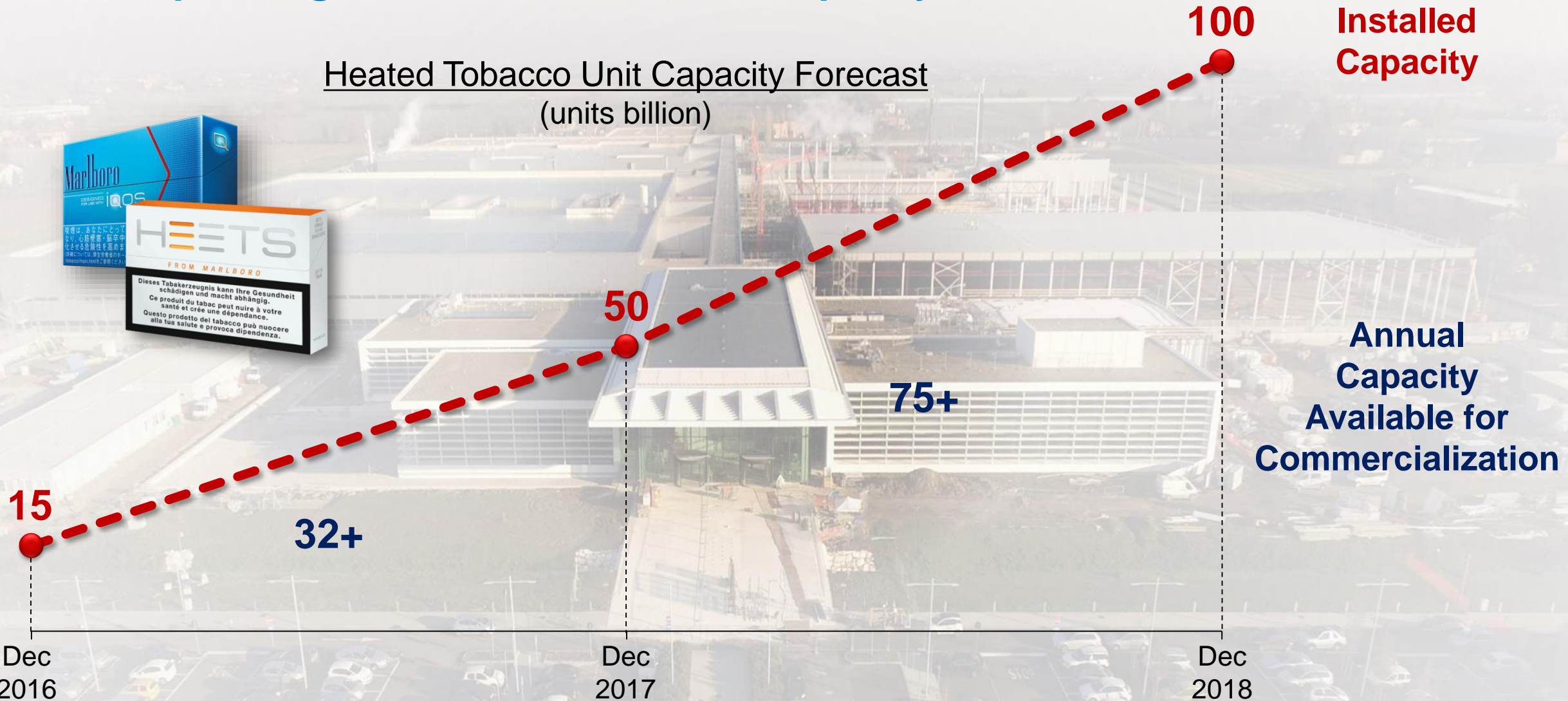
(a) Offtake share for three-city focus area (Berlin, Frankfurt and Munich)

(b) Portion of cigarette industry volume covered by IQOS focus area in each market (as of December 2016)

Source: PMI Financials or estimates

IQOS: Expanding Heated Tobacco Unit Capacity

Heated Tobacco Unit Capacity Forecast
(units billion)



Note: Pack designs are for illustrative purposes only
Source: PMI Financials or estimates



Good Agricultural Practices



Human Rights

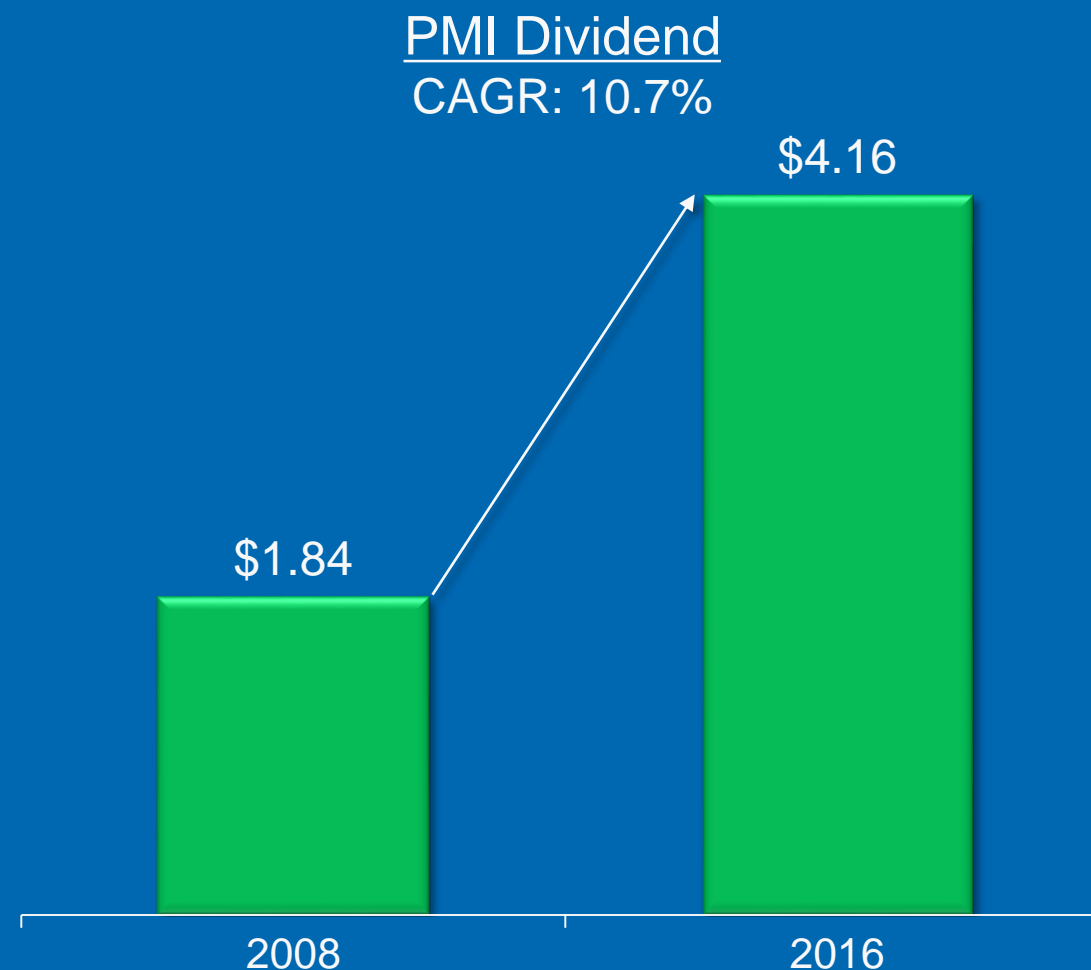


Environment



Rewarding Our Shareholders: Attractive Dividend

- Dividends are the primary use of our operating cash flow^(a) after capital expenditures
- Increased our dividend in September 2016 to an annualized rate of \$4.16 per share
- Nine consecutive dividend increases since 2008, representing a total increase of 126.1%



(a) Net cash provided by operating activities

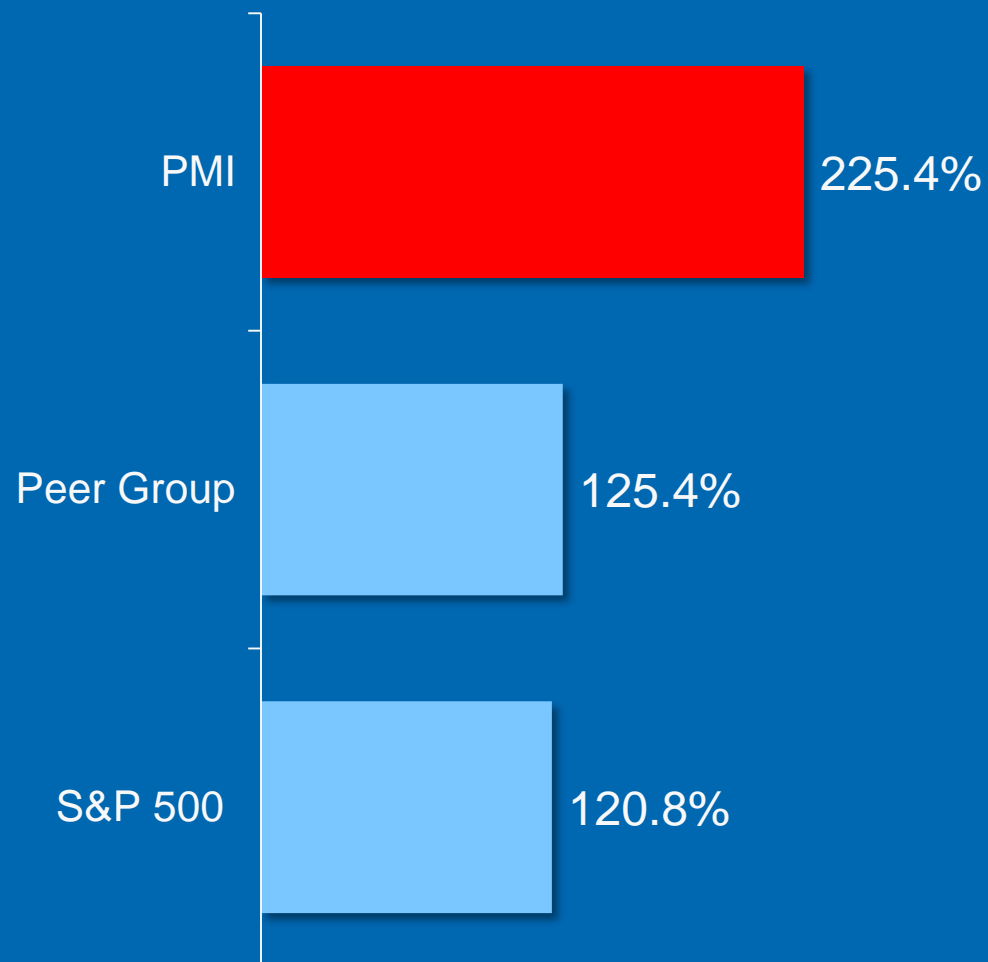
Note: Dividends for 2008 and 2016 are annualized rates. The 2008 annualized rate is based on a quarterly dividend of \$0.46 per common share, declared June 18, 2008. The 2016 annualized rate is based on a quarterly dividend of \$1.04 per common share, declared September 14, 2016

Source: PMI Financials or estimates

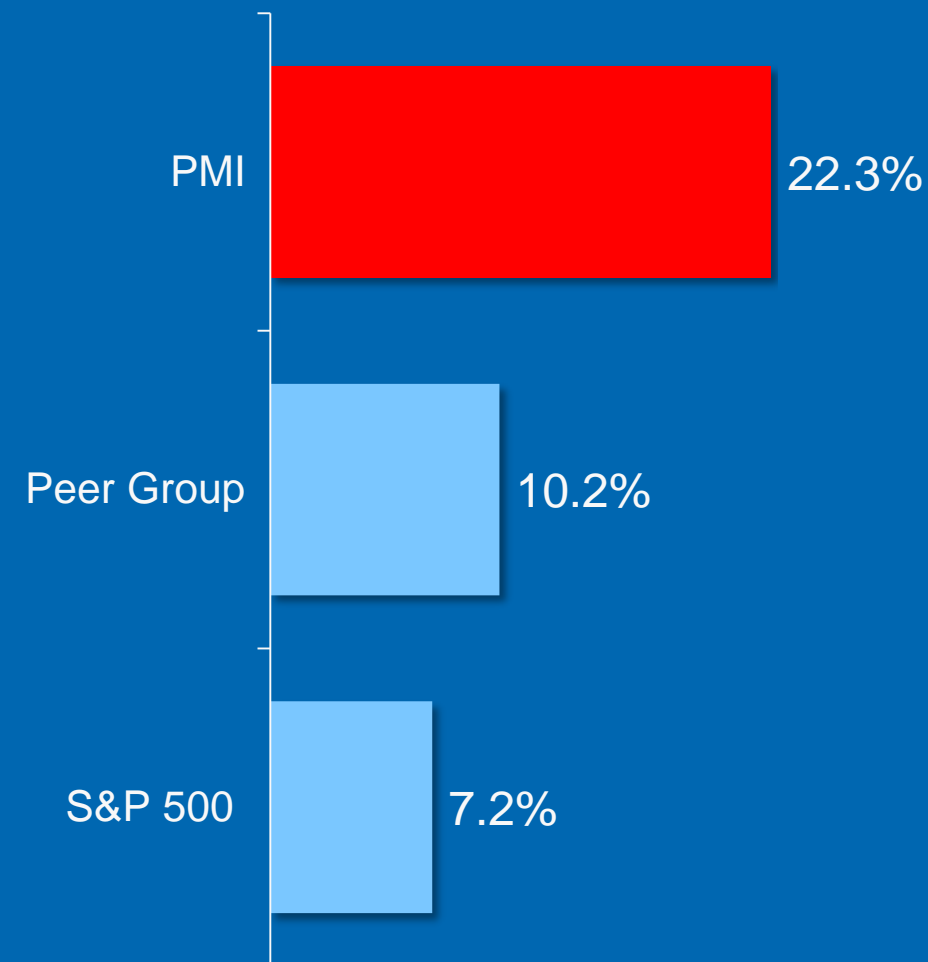


Rewarding Our Shareholders: Total Shareholder Return

March 28, 2008 – April 28, 2017



January 1, 2017 – April 28, 2017



Note: In USD. The peer group represents the market weighted-average return of the group. PMI total shareholder return pro forma for additional \$0.46 per share dividend paid in April 2008 impacts the period March 28, 2008 – April 28, 2017. Exchange rates are as of March 28, 2008, January 1, 2017, and April 28, 2017. The peer group is defined in the glossary
Source: FactSet and Bloomberg



Conclusion: Outlook Remains Strong for Full-Year 2017

- 2016 was a pivotal year for PMI, reflecting exciting progress in our transformation to a smoke-free future:
 - Strong currency-neutral financial results, driven by our cigarette portfolio
 - First important net revenue growth contribution from RRP
- Full-year 2017 key assumptions remain intact
- RRP provide us with the single-largest opportunity to significantly accelerate the growth of our business and generously reward our shareholders

Note: "Reduced-risk products," or "RRPs," is the term PMI uses to refer to products that present, are likely to present, or have the potential to present less risk of harm to smokers who switch to these products versus continued smoking

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Question and Comment Session



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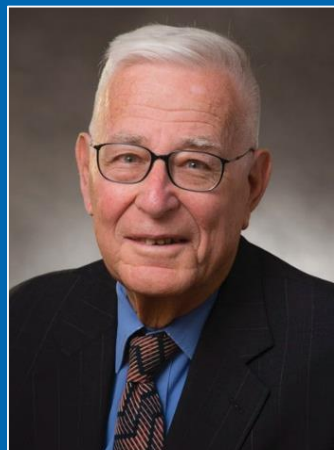
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Board of Directors



Harold Brown



André Calantzopoulos



Louis C. Camilleri



Massimo Ferragamo



Werner Geissler



Jennifer Li



Jun Makihara



Sergio Marchionne



Kalpana Morparia



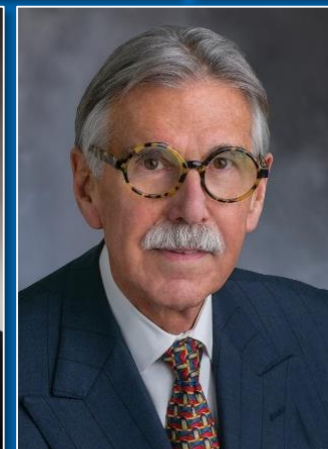
Lucio A. Noto



Frederik Paulsen



Robert B. Polet



Stephen M. Wolf



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Glossary and Reconciliation of Non-GAAP Measures



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Glossary: General Terms

- "PMI" refers to Philip Morris International Inc. and its subsidiaries
- Until March 28, 2008, PMI was a wholly owned subsidiary of Altria Group, Inc. ("Altria"). Since that time the company has been independent and is listed on the New York Stock Exchange (ticker symbol "PM")
- Trademarks are italicized
- Comparisons are made to the same prior-year period, unless otherwise stated
- Unless otherwise stated, references to total industry, total market, PMI volume and PMI market share performance reflect cigarettes and PMI's heated tobacco units for those markets that have commercial sales of *IQOS*
- References to total international market, defined as worldwide cigarette and PMI heated tobacco unit volume excluding the United States, total industry, total market and market shares are PMI tax-paid estimates based on the latest available data from a number of internal and external sources and may, in defined instances, exclude the People's Republic of China and/or PMI's duty free business
- "Combustible products" is the term PMI uses to refer to cigarettes and OTP, combined
- "OTP" is defined as other tobacco products, primarily roll-your-own and make-your-own cigarettes, pipe tobacco, cigars and cigarillos, and does not include reduced-risk products
- "PMI volume" is defined as the combined total of cigarette shipment volume and heated tobacco unit shipment volume
- "EU" is defined as the European Union Region
- "EEMA" is defined as Eastern Europe, Middle East and Africa and includes PMI's international duty free business
- "LA&C" is defined as the Latin America & Canada Region
- SoM stands for share of market
- TPD stands for the EU Tobacco Products Directive
- The European Commission published a proposed revision to the TPD1 on December 19, 2012, the revised Tobacco Products Directive (2014/40/EU) (hereafter referred to as "TPD2", which came into force as of May 2016)



Glossary: Financial Terms

- Net revenues exclude excise taxes
- Net revenues, excluding excise taxes, related to combustible products refer to the operating revenues generated from the sale of these products, net of sales and promotion incentives
- "Operating Companies Income," or "OCI," is defined as operating income, excluding general corporate expenses and the amortization of intangibles, plus equity (income)/loss in unconsolidated subsidiaries, net. Management evaluates business segment performance and allocates resources based on OCI
- Management reviews OCI, OCI margins, operating cash flow and earnings per share, or "EPS," on an adjusted basis, which may exclude the impact of currency and other items such as acquisitions, asset impairment and exit costs, discrete tax items and other special items



Glossary: Reduced-Risk Products

- "Reduced-risk products," or "RRPs," is the term PMI uses to refer to products that present, are likely to present, or have the potential to present less risk of harm to smokers who switch to these products versus continued smoking. PMI has a range of RRP's in various stages of development, scientific assessment and commercialization. Because PMI's RRP's do not burn tobacco, they produce far lower quantities of harmful and potentially harmful compounds than found in cigarette smoke
- IQOS is the brand name under which PMI has chosen to commercialize its Platform 1 controlled heating device into which a specially designed and proprietary tobacco unit is inserted and heated to generate an aerosol
- "Heated tobacco units" is the term PMI uses to refer to heat-not-burn consumables, which include *HEETS*, *HEETS Marlboro* and *HEETS FROM MARLBORO*, defined collectively as *HEETS*, as well as *Marlboro HeatSticks* and *Parliament HeatSticks*
- Aerosol refers to a gaseous suspension of fine solid particles and/or liquid droplets
- Net revenues, excluding excise taxes, related to RRP's represent the sale of heated tobacco units, IQOS devices and related accessories, and other nicotine-containing products, primarily e-vapor products, net of sales and promotion incentives
- Heated tobacco unit offtake volume represents the estimated retail offtake of heated tobacco units based on a selection of sales channels that vary by market, but notably include retail points of sale and e-commerce platforms
- Heated tobacco unit offtake share represents the estimated retail offtake volume of heated tobacco units divided by the sum of estimated total offtake volume for cigarettes, heated tobacco units and, where the data is available, other RRP's
- National market share for heated tobacco units is defined as the total sales volume for heated tobacco units as a percentage of the total estimated sales volume for cigarettes and heated tobacco units
- "Converted IQOS Users" means the estimated number of Legal Age (minimum 18-year-old) IQOS users that used *HeatSticks/HEETS* heated tobacco units for 95% or more of their daily tobacco consumption over the past seven days
- "Predominant IQOS Users" means the estimated number of Legal Age (minimum 18-year-old) IQOS users that used *HeatSticks/HEETS* heated tobacco units for between 70% and 94.9% of their daily tobacco consumption over the past seven days



PMI Peer Group

- Altria
- Anheuser-Busch InBev
- BAT
- Coca-Cola
- Colgate-Palmolive
- Diageo
- Heineken
- Imperial Brands^(a)
- Japan Tobacco
- Johnson & Johnson
- Kimberly-Clark
- Kraft Heinz
- McDonald's
- Mondelēz International
- Nestlé
- PepsiCo
- Procter & Gamble
- Reynolds American
- Roche
- Unilever

(a) Formerly Imperial Tobacco

Note: PMI has established a revised Peer Group that includes a balanced mix of large, global, fast-moving consumer goods companies, as well as primary tobacco competitors

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)

2016								2015			% Change in Net Revenues excluding Excise Taxes		
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisi- tions	Net Revenues excluding Excise Taxes, Currency & Acquisitions		Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 27,129	\$ 18,967	\$ 8,162	\$ (147)	\$ 8,309	\$ -	\$ 8,309	European Union	\$ 26,563	\$ 18,495	\$ 8,068	1.2%	3.0%	3.0%
18,286	11,286	7,000	(600)	7,600	-	7,600	EEMA	18,328	10,964	7,364	(4.9)%	3.2%	3.2%
20,531	11,850	8,681	(8)	8,689	-	8,689	Asia	19,469	11,266	8,203	5.8%	5.9%	5.9%
9,007	6,165	2,842	(525)	3,367	-	3,367	Latin America & Canada	9,548	6,389	3,159	(10.0)%	6.6%	6.6%
\$ 74,953	\$ 48,268	\$ 26,685	\$ (1,280)	\$ 27,965	\$ -	\$ 27,965	PMI Total	\$ 73,908	\$ 47,114	\$ 26,794	(0.4)%	4.4%	4.4%

2016								2015			% Change in Operating Companies Income		
Operating Companies Income		Less Currency	Operating Companies Income excluding Currency	Less Acquisi- tions	Operating Companies Income excluding Currency & Acquisitions			Operating Companies Income			Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 3,994		\$ 34	\$ 3,960	\$ -	\$ 3,960	European Union		\$ 3,576			11.7%	10.7%	10.7%
3,016		(839)	3,855	-	3,855	EEMA		3,425			(11.9)%	12.6%	12.6%
3,196		52	3,144	-	3,144	Asia		2,886			10.7%	8.9%	8.9%
938		(282)	1,220	-	1,220	Latin America & Canada		1,085			(13.5)%	12.4%	12.4%
\$ 11,144		\$ (1,035)	\$ 12,179	\$ -	\$ 12,179	PMI Total		\$ 10,972			1.6%	11.0%	11.0%

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures



PHILIP MORRIS
INTERNATIONAL

Reconciliation of 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)

2016										2015			% Change in Adjusted Operating Companies Income		
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				Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions
\$ 3,994	\$ -	\$ 3,994	\$ 34	\$ 3,960	\$ -	\$ 3,960	European Union			\$ 3,576	\$ (68)	\$ 3,644	9.6%	8.7%	8.7%
3,016	-	3,016	(839)	3,855	-	3,855	EEMA			3,425	-	3,425	(11.9)%	12.6%	12.6%
3,196	-	3,196	52	3,144	-	3,144	Asia			2,886	-	2,886	10.7%	8.9%	8.9%
938	-	938	(282)	1,220	-	1,220	Latin America & Canada			1,085	-	1,085	(13.5)%	12.4%	12.4%
\$ 11,144	\$ -	\$ 11,144	\$ (1,035)	\$ 12,179	\$ -	\$ 12,179	PMI Total			\$ 10,972	\$ (68)	\$ 11,040	0.9%	10.3%	10.3%

2016							2015			% 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	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
\$ 3,960	\$ 8,309	47.7%	\$ 3,960	\$ 8,309	47.7%	European Union	\$ 3,644	\$ 8,068	45.2%		2.5	2.5
3,855	7,600	50.7%	3,855	7,600	50.7%	EEMA	3,425	7,364	46.5%		4.2	4.2
3,144	8,689	36.2%	3,144	8,689	36.2%	Asia	2,886	8,203	35.2%		1.0	1.0
1,220	3,367	36.2%	1,220	3,367	36.2%	Latin America & Canada	1,085	3,159	34.3%		1.9	1.9
\$ 12,179	\$ 27,965	43.6%	\$ 12,179	\$ 27,965	43.6%	PMI Total	\$ 11,040	\$ 26,794	41.2%		2.4	2.4

(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

Calculation of Adjusted Operating Companies Income Margins
(\$ in millions)
(Rounded)

For the Year Ended December 31, 2015

	Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Adjusted Operating Companies Income Margin
European Union	\$ 3,576	\$ (68)	\$ 3,644	\$ 26,563	\$ 18,495	\$ 8,068	45.2%
EEMA	3,425	-	3,425	18,328	10,964	7,364	46.5%
Asia	2,886	-	2,886	19,469	11,266	8,203	35.2%
Latin America & Canada	1,085	-	1,085	9,548	6,389	3,159	34.3%
PMI Total	\$ 10,972	\$ (68)	\$ 11,040	\$ 73,908	\$ 47,114	\$ 26,794	41.2%

For the Year Ended December 31, 2016

	Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Adjusted Operating Companies Income Margin
European Union	\$ 3,994	\$ -	\$ 3,994	\$ 27,129	\$ 18,967	\$ 8,162	48.9%
EEMA	3,016	-	3,016	18,286	11,286	7,000	43.1%
Asia	3,196	-	3,196	20,531	11,850	8,681	36.8%
Latin America & Canada	938	-	938	9,007	6,165	2,842	33.0%
PMI Total	\$ 11,144	\$ -	\$ 11,144	\$ 74,953	\$ 48,268	\$ 26,685	41.8%

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)

	2016	2015	% Change
Reported Diluted EPS	\$ 4.48	\$ 4.42	1.4%
Adjustments:			
Asset impairment and exit costs	-	0.03	
Tax items	-	(0.03)	
Adjusted Diluted EPS	\$ 4.48	\$ 4.42	1.4%
Less:			
Currency impact	(0.46)		
Adjusted Diluted EPS, excluding Currency	\$ 4.94	\$ 4.42	11.8%

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures



PHILIP MORRIS
INTERNATIONAL

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

2017								2016				% Change in Net Revenues excluding Excise Taxes		
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisi- tions	Net Revenues excluding Excise Taxes, Currency & Acquisitions		Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes		Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 5,889	\$ 4,149	\$ 1,740	\$ (55)	\$ 1,795	\$ -	\$ 1,795	European Union	\$ 6,143	\$ 4,280	\$ 1,863		(6.6)%	(3.7)%	(3.7)%
3,695	2,218	1,477	(99)	1,576	-	1,576	EEMA	3,997	2,395	1,602		(7.8)%	(1.6)%	(1.6)%
4,838	2,597	2,241	56	2,185	-	2,185	Asia	4,689	2,721	1,968		13.9%	11.0%	11.0%
2,134	1,528	606	(22)	628	-	628	Latin America & Canada	1,959	1,309	650		(6.8)%	(3.4)%	(3.4)%
\$ 16,556	\$ 10,492	\$ 6,064	\$ (120)	\$ 6,184	\$ -	\$ 6,184	PMI Total	\$ 16,788	\$ 10,705	\$ 6,083		(0.3)%	1.7%	1.7%

2017								2016				% Change in Operating Companies Income		
Operating Companies Income		Less Currency	Operating Companies Income excluding Currency	Less Acquisi- tions	Operating Companies Income excluding Currency & Acquisitions			Operating Companies Income				Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 772		\$ (28)	\$ 800	\$ -	\$ 800	European Union		\$ 906				(14.8)%	(11.7)%	(11.7)%
690		(12)	702	-	702	EEMA		633				9.0%	10.9%	10.9%
852		54	798	-	798	Asia		778				9.5%	2.6%	2.6%
177		(26)	203	-	203	Latin America & Canada		229				(22.7)%	(11.4)%	(11.4)%
\$ 2,491		\$ (12)	\$ 2,503	\$ -	\$ 2,503	PMI Total		\$ 2,546				(2.2)%	(1.7)%	(1.7)%

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures



PHILIP MORRIS
INTERNATIONAL

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

2017							2016			% Change in Adjusted Operating Companies Income			
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		Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions
\$ 772	\$ -	\$ 772	\$ (28)	\$ 800	\$ -	\$ 800	European Union	\$ 906	\$ -	\$ 906	(14.8)%	(11.7)%	(11.7)%
690	-	690	(12)	702	-	702	EEMA	633	-	633	9.0%	10.9%	10.9%
852	-	852	54	798	-	798	Asia	778	-	778	9.5%	2.6%	2.6%
177	-	177	(26)	203	-	203	Latin America & Canada	229	-	229	(22.7)%	(11.4)%	(11.4)%
\$ 2,491	\$ -	\$ 2,491	\$ (12)	\$ 2,503	\$ -	\$ 2,503	PMI Total	\$ 2,546	\$ -	\$ 2,546	(2.2)%	(1.7)%	(1.7)%

2017								2016			% 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	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
\$ 800	\$ 1,795	44.6%		\$ 800	\$ 1,795	44.6%	European Union	\$ 906	\$ 1,863	48.6%	(4.0)	(4.0)
702	1,576	44.5%		702	1,576	44.5%	EEMA	633	1,602	39.5%	5.0	5.0
798	2,185	36.5%		798	2,185	36.5%	Asia	778	1,968	39.5%	(3.0)	(3.0)
203	628	32.3%		203	628	32.3%	Latin America & Canada	229	650	35.2%	(2.9)	(2.9)
\$ 2,503	\$ 6,184	40.5%		\$ 2,503	\$ 6,184	40.5%	PMI Total	\$ 2,546	\$ 6,083	41.9%	(1.4)	(1.4)

(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 Quarters Ended March 31,
(Unaudited)

	2017	2016	% Change
Reported Diluted EPS	\$ 1.02	\$ 0.98	4.1%
Adjustments:			
Asset impairment and exit costs	-	-	
Tax items	(0.04)	-	
Adjusted Diluted EPS	\$ 0.98	\$ 0.98	- %
Less:			
Currency impact	-		
Adjusted Diluted EPS, excluding Currency	\$ 0.98	\$ 0.98	- %



PHILIP MORRIS
INTERNATIONAL

Designing a Smoke-Free Future

Annual Meeting of Shareholders

New York
May 3, 2017