

**Remarks by Jacek Olczak
Chief Financial Officer
Philip Morris International Inc.**

**Morgan Stanley Global Consumer
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(SLIDE 1.)

Thank you, Matt, and good morning everyone. It is a pleasure to be here again at the Morgan Stanley Global Consumer and Retail Conference. I would also like to welcome those who are joining us via the webcast.

I will begin with some very brief remarks on our 2016 outlook and the commercialization of our Reduced-Risk Products, and then join Matt for Q&A.

(SLIDE 2.)

Today's remarks contain forward-looking statements and projections of future results. I direct your attention to the Forward-Looking and Cautionary Statements disclosure, as well as our definition of Reduced-Risk Products, on this slide.

(SLIDE 3.)

Our positive business momentum continues, and we remain on track to deliver robust underlying performance this year. The recent volatility in currency markets, however, has impacted our full-year outlook on a reported basis.

As a result, we are revising our 2016 reported diluted EPS guidance, for currency only, by seven cents to a range of \$4.46 to \$4.51, at prevailing exchange rates. The revision is principally due to the Egyptian Pound, which we highlighted during our September Investor Day as one of the currencies adversely impacting our results.

Excluding currency, our guidance continues to represent a growth rate of approximately 10.5% to 11.5% compared to our adjusted diluted EPS of \$4.42 in 2015.

(SLIDE 4.)

As a reminder, in the fourth quarter, we anticipate strong currency-neutral net revenue growth, driven primarily by the growth of RRP's, principally in Japan, and a favorable pricing variance of approximately 8% to 9% of our fourth-quarter 2015 net revenues.

We also expect a very favorable cost comparison, reflecting the incremental investments that we made in the fourth quarter of 2015.

(SLIDE 5.)

Moving to RRPs, our commercialization plans for 2016 remain on track. *iQOS* is now available in key cities in 13 markets, following recent launches in Amsterdam, Athens and Madrid, and we continue to anticipate a presence in 20 markets by the end of this year.

In addition, later this week we will begin the city test of our Platform 4 next generation e-vapor product, *MESH*, in Birmingham, U.K.

(SLIDE 6.)

We continue to grow *HeatSticks* market share in Japan, despite the limits we have placed on *iQOS* device sales. In the last week of October, *HeatSticks* share reached 4.9%, an increase of 0.6 percentage points compared to the last week of September.

(SLIDE 7.)

While the success of *iQOS* in Japan understandably receives the most attention, we are very pleased by the performance of *iQOS* in all launch markets. As seen on this slide, *HeatSticks* offtake volume is growing in every market where *iQOS* has been present since the beginning of 2016, with notable accelerations since September in Italy, Portugal and Russia.

(SLIDE 8.)

Thank you.