Annual Meeting of Stockholders

Philip Morris International Inc.
May 12, 2010
New York, NY

(SLIDE 1.)

Good morning, ladies and gentlemen and welcome to Philip Morris International's 2010 Annual Meeting of Stockholders. The meeting is now called to order.

I am Louis Camilleri, Chairman of the Board and Chief Executive Officer.

I would like to extend my warmest welcome to stockholders and employees who have joined us via a live audio webcast of the meeting, as well as those who are here in person today.

It is my privilege to welcome our Board of Directors, who are in attendance and seated in the front rows.

I would also like to introduce Penn Holsenbeck, Vice President and Corporate Secretary, who is on stage with me.

In addition, I would like to introduce Jim Maher and Jim Schumacher of PricewaterhouseCoopers, our auditors. They are in the audience and will be available to answer questions after the meeting.

The Agenda and the rules for the meeting have been placed on your seats.

It is our intention to proceed in accordance with the Agenda and the rules for the meeting.

(SLIDE 2.)

My remarks today contain certain forward-looking statements and I direct your attention to the Forward-Looking and Cautionary Statements section. Reconciliation slides of non-GAAP measures will be posted on our web site at www.pmi.com.

(SLIDE 3.)

The secretary will now present certain formal documents. Penn.

Thank you, Mr. Chairman.

I present to the meeting, together with Affidavits of Mailing, a copy of the Notice of Meeting, form of Proxy, Proxy Statement and Annual Report, including financial statements for the fiscal year ended December 31, 2009.

The holders of record of common stock at the close of business on March 16, 2010, are entitled to vote at this meeting. I am informed that more than [TK]% of Philip Morris International Inc.'s common stock is represented here today, and, therefore, a quorum is present for the transaction of business.

Will the Secretary please file the documents with the records of the meeting.

I appoint as Inspectors of Election, Amilja Regan and Kevin Laurita of Computershare, the Transfer Agent for PMI's common stock.

The Inspectors are instructed to execute the oath, and to take custody of all proxies, and of the certified list of holders of common stock as of the close of business on March 16, 2010.

The list contains the names and addresses of all holders of common stock, and the number of shares held by each.

The list is available for inspection throughout the meeting.

The Inspectors will certify the vote on each of the matters to be presented to the meeting. Proxies and ballots are kept confidential, except where stockholders have written comments on them.

(SLIDE 4.)

Despite the impact of the global recession and rising unemployment on industry volume, PMI achieved strong financial results in 2009. This resilient performance was in part masked by significant currency headwinds. Of particular import was our ability to generate operating cash flow that was well ahead of the three-year projection that we made at the time of the spin. This enabled us to return $10 billion in 2009 alone to our shareholders through our dividend and share repurchase program.

(SLIDE 5.)

In 2009, PMI's cigarette volume reached 864.0 billion units, a decline of 5.7 billion units, or 0.7%, compared to 2008. On an organic basis, that is excluding the impact of acquisitions, volume was down 1.5%, mainly reflecting the impact of lower industry volume, due to the economic downturn and in particular higher unemployment in such markets as Russia and Spain.

(SLIDE 6.)

We successfully grew our market share last year in both the more developed OECD markets, as well as in the emerging non-OECD markets.

(SLIDE 7.)

Our net revenues, excluding excise taxes, totaled $25.0 billion in 2009. Net revenues increased by 7.5%, excluding currency, or by 5.3% excluding both currency and acquisitions.

(SLIDE 8.)

Adjusted Operating Companies Income, or OCI, was $10.4 billion in 2009. This represented an increase of 11.1% excluding currency, or 8.7% excluding currency and acquisitions.

(SLIDE 9.)

Adjusted diluted earnings per share, or EPS, of $3.29, were marginally below the previous year's level due to 53 cents of unfavorable currency. On a constant currency basis, adjusted diluted EPS grew by 15.4%.

(SLIDE 10.)

As in the previous year, in 2009 we achieved all our financial mid to long-term constant currency annual growth targets. The unfavorable impact of the recession on industry volumes meant, however, that we were unable to achieve the 1% organic volume growth target, as we did in 2008.

(SLIDE 11.)

During the first quarter of this year, we posted strong results and again met, or exceeded, all our mid to long-term currency neutral annual financial growth targets in what remained a difficult economic environment in many parts of the world.

(SLIDE 12.)

In the first quarter of 2010, our cigarette volume increased by 0.7% to 205 billion units, benefiting from our new business combination in the Philippines. On an organic basis, cigarette volume declined by 2.3%, principally due to significant industry volume erosion in the Baltics, Romania, Turkey and Ukraine. Absent these four markets, organic volume would have grown by 1.2%.

(SLIDE 13.)

These results are underpinned by the strength and breadth of our brand portfolio, which includes seven of the top fifteen international brands: premium *Marlboro* and *Parliament*, mid-price *L&M*, *Philip Morris*, *Chesterfield* and *Lark*, and low-price *Bond Street*.

(SLIDE 14.)

Marlboro is the only truly global cigarette brand. While its international success was initially built in the EU Region, where it commanded an 18% regional market share in the first quarter, over 60% of the brand's volume is generated in markets outside the Region today. In the first quarter, *Marlboro* volume was down just 0.6% on a global basis and was up 1.4% excluding Romania and Turkey.

Since the spin, we have significantly strengthened the brand and expanded its reach through the development and roll-out of the new brand architecture.

(SLIDE 15.)

Net revenues, excluding excise taxes, reached $6.5 billion in the first quarter, up 16.1%, or 6.1% excluding currency and acquisitions. This increase was driven by higher prices across a wide range of markets.

(SLIDE 16.)

Adjusted OCI, was $2.8 billion, 17.0% above last year's first quarter, and up by 8.6% excluding currency and acquisitions. Higher leaf prices, which this year are expected to amount to around $200 million, are being largely offset by productivity savings in manufacturing.

(SLIDE 17.)

Our industry-leading adjusted OCI margin, excluding the impact of currency, grew by 0.4 points in the quarter to 42.7%, with increases in the EU, EEMA and Latin America & Canada Regions. The reduction in the adjusted OCI margin in the Asia Region principally reflects the inclusion in the quarter of 6.1 billion units in the Philippines resulting from our business combination with Fortune Tobacco, which were consolidated and resold with no additional margin.

(SLIDE 18.)

Adjusted diluted EPS reached 90 cents in the first quarter, a significant increase of 21.6% over the same period in 2009, and up by a very robust 13.5% excluding currency. This quarter, we benefited from currency tailwinds of 6 cents per share, driven by stronger currencies in emerging markets.

Some in the investment community expressed concern that we did not meet the Consensus Estimate of 93 cents for the quarter, as reflected in the stock price decline following the announcement of our results. To argue with Mr. Market can be futile. However, it is important to underscore that the Consensus Estimate appears to have relied on a stronger currency benefit than the one that actually materialized.

(SLIDE 19.)

Strong earnings growth, strategies to reduce working capital requirements, and tight controls over capital expenditures, have led to a strong expansion in our cash flow. In 2009, our discretionary cash flow, which is defined as operating cash flow less capital expenditures, reached $7.1 billion, an increase of $300 million, or 5%, compared to 2008, despite an unfavorable currency impact of $1.5 billion. Excluding currency, our discretionary cash flow increased by 26%.

In the first quarter of this year, we generated a discretionary cash flow of $1.8 billion, some $500 million, or 42%, ahead of the previous year, and 33% ahead excluding a slightly favorable currency impact. We are just beginning to see the positive impact of our three-year working capital reduction program, which is targeted to generate an additional cumulative $750 million to $1 billion.

(SLIDE 20.)

Our balance sheet remains very strong with a net debt to EBITDA ratio of 1.34 to 1 at the end of March this year. We have a very favorable debt profile, with over $14 billion in well-laddered bonds in three currencies issued since the spin with an average cost of 5.5%. Our strong liquidity and excellent credit worthiness are reflected in our solid credit ratings, which provide us with significant financial flexibility to pursue strategically compelling and financially attractive acquisitions that will supplement our organic growth.

(SLIDE 21.)

We continue to implement our strategy to generously return cash to our shareholders. We increased the quarterly dividend by 7.4% in September last year to an annualized rate of $2.32 per share. At the current share price, this represents an attractive yield of 4.8%. We completed our $13 billion, two-year share repurchase program on time last month and we have now started on a new $12 billion, three-year program that strikes an optimal balance between rewarding our shareholders and retaining our financial flexibility.

Since our spin-off in March 2008, we have returned around $20 billion to our shareholders through dividends and share repurchases. This represents over 20% of our current market capitalization.

(SLIDE 22.)

We estimate that industry volumes decreased by 2.0% last year, with declines in both OECD and non-OECD markets. Given the stubbornly high unemployment levels that prevail in numerous countries and the need for governments to address their budget deficits, we anticipate that industry volumes will again decline this year at a similar rate.

(SLIDE 23.)

We expect to continue to outperform the industry again this year, as was the case in the first quarter when we gained share in the majority of our key markets.

(SLIDE 24.)

This share performance is driven by our superior brand portfolio that extends across all price and taste categories. In the first quarter, our international low-price brands performed very well, with strong volume growth for *Bond Street*, *Next* and *Red & White*, as well as local brands such as *Delicados* in Mexico and *Optima* in Russia, reflecting the challenging economic situation.

(SLIDE 25.)

Higher prices continue to be the key driver of our profit growth. Since last October, we have increased prices in nearly all key markets with the exception of Japan and Korea. This drove our favorable pricing variance of $449 million in the first quarter.

(SLIDE 26.)

Our focus on costs remains rigorous. We are on track to complete the third part of the three-year $1.5 billion cumulative gross cost savings program that we announced in 2008. The $500 million in productivity gains this year will more than offset the forecast $200 million in higher tobacco leaf costs.

(SLIDE 27.)

Beyond the numbers, we continue to face several potential opportunities and challenges. Let me address five topics that are of interest to our shareholders: the economic recovery, excise taxes, illicit trade, the regulatory environment and business development opportunities.

(SLIDE 28.)

While our business is economically resilient, it is not immune to economic developments across the world.

(SLIDE 29.)

We are seeing clear signs of economic recovery across a wide range of markets in Asia and Latin America, such as Indonesia, Korea, the Philippines, Brazil and Mexico. In these markets, consumer purchasing power is growing and demand for premium products is generally strong.

(SLIDE 30.)

There are also signs of an economic recovery in Eastern Europe, though this has yet to translate into improved employment levels or higher incomes. We are already seeing a slowdown in consumer downtrading and remain optimistic that these markets will start to recover towards the end of this year.

(SLIDE 31.)

The economic developments across the EU are uneven, with Spain and of course Greece remaining weak with little hope of any immediate improvement. As a result, European consumers generally continue to be very price sensitive.

(SLIDE 32.)

As governments, particularly in OECD countries, seek to address their budget deficits, they naturally look to tobacco as a potential source of incremental revenues. In general, most governments pursue a policy of reasonable excise tax increases, and excise tax structures continue to improve globally.

(SLIDE 33.)

The new excise taxation framework, which has been unanimously agreed by the European Union, is a good example of both these points. It calls for reasonable increases through 2018, allows governments to increase the weight of the specific element in excise taxes, and provides them with a more effective Minimum Excise Tax tool to enhance the predictability of their revenue flows.

(SLIDE 34.)

Each year, however, we do face some significant challenges on the excise tax front and this year we have witnessed abnormal actions in Romania, Turkey, Greece and Australia, with Japan to come in October. Such disruptively large excise tax increases are generally counter-productive. They hurt legitimate industry volumes, spur illicit trade, encourage downtrading and, in most instances, do not generate the anticipated government revenues.

(SLIDE 35.)

The true size of the global illicit trade – including both contraband and counterfeit – is difficult to estimate for a number of reasons, not least because this is a covert, criminal activity. Illicit trade is a very significant problem in a wide range of geographies, affecting both developed and emerging markets alike. Illicit trade is estimated, for example, to account for about 24% of cigarette consumption in Brazil, 30% in Canada, 23% in Ireland, 37% in Malaysia, 36% in Romania and 35% in Vietnam.

(SLIDE 36.)

Illicit trade is a growing threat to legitimate business. The threat comes from different sources, the most important of which are counterfeit, and brands with no legitimate distribution in the destination market, a category known as “illicit whites”. I would like to emphasize that, contrary to widespread belief, contraband is not sourced from legitimate duty free businesses. Indeed, more than 96% of cigarettes, appearing to be PMI duty free products and seized by law enforcement agencies in 2008, were in fact counterfeit products.

(SLIDE 37.)

Illicit trade is an important issue that hurts everyone: the legitimate industry, governments, public health and consumers. It is often the result of misguided fiscal and regulatory policies and is facilitated by weak controls.

(SLIDE 38.)

We devote significant resources and work closely with governments, customs authorities and other law enforcement agencies to fight illicit trade and close down counterfeit operations. This cooperation has resulted in many successful operations over the years: for example, in the EU alone, more than 30 counterfeiting factories were closed down since we signed our Cooperation Agreement with the EU in 2004. We are also encouraged by the recent efforts by the authorities in both Ontario and Quebec to curtail the sale of illegitimate cigarettes in Canada.

(SLIDE 39.)

One of our important long-term strategies is the pursuit of comprehensive regulation and fiscal policies that govern the manufacture, marketing, sale and use of tobacco products, based on the broader goal of harm reduction. This strategy is explained in depth on our web site and I encourage you to visit it to learn more about the company's commitment to addressing the complex issues surrounding tobacco use.

(SLIDE 40.)

While we support comprehensive, effective and uniform tobacco regulation, we do not support regulation that prevents adults from buying and using tobacco products or that imposes unnecessary impediments to the operation of the legitimate tobacco market.

Specifically, we do not support the growing call for product display bans, plain packaging and bans on the use of all ingredients in tobacco products.

(SLIDE 41.)

We believe that product display bans impede competition, impose significant costs and other burdens on retailers, encourage adult smokers to make choices based on price rather than product characteristics, and foster illicit trade in tobacco products, as it is much easier to disseminate such products if they do not need to be displayed.

(SLIDE 42.)

There is no sound evidentiary basis to conclude that plain packaging would lead to a reduction in youth smoking or to any other public health benefit. The UK Department of Health has in fact stated that “the research evidence into this initiative [plain packaging] is speculative, relying on asking people what they might do in a certain situation.”

In spite of this, on April 29 this year, the Australian government announced that it will seek to introduce legislation that will require all cigarettes to be sold in plain packaging by July 1, 2012.

(SLIDE 43.)

Plain packaging would be a clear expropriation of our trademarks. It is a misguided measure that we believe would not reduce consumption, smoking incidence or initiation. It would impair free competition, jeopardize freedom of trade, stifle product innovation, and spur illicit trade and counterfeit activity to the detriment of the legitimate industry, its entire supply chain and government revenues. Furthermore, it would violate the terms of international treaties governing the protection of industrial property and the trade-related aspects of intellectual property rights.

(SLIDE 44.)

Several countries have laws or regulations restricting the use of ingredients in tobacco products that have been in place for many years. These efforts have focused on whether ingredients, when added to cigarettes, increased the toxicity or addictiveness of cigarette smoking. Our products comply with these laws.

(SLIDE 45.)

However, more recently, tobacco control advocates and some government authorities have been considering regulating cigarette ingredients with the stated objective of reducing the “attractiveness” of cigarette smoking. We oppose regulations that would ban all ingredients because, in light of the millions of smokers in countries like Canada, China or the UK who prefer cigarettes without ingredients, there is no reasonable basis to conclude that an ingredient ban would reduce smoking prevalence.

(SLIDE 46.)

The potential for growth remains significant, as there is 74% of the world cigarette market, excluding China and the USA, or three in four adult smokers, to still switch to our brands. We expect to further expand our market share both through organic growth and through business development activities.

(SLIDE 47.)

There are still a number of markets, such as Bangladesh, China, India and Vietnam, where today our presence is extremely limited. Industry volume in these four markets alone reached an estimated combined 2.5 trillion units in 2009, or about 45% of the world cigarette market excluding the USA. We have taken initial steps to develop our business in these markets, but their potential is likely to remain largely untapped in the short to mid-term.

(SLIDE 48.)

The latest business development project that we successfully completed was in the Philippines. This is an 85 billion unit cigarette market. In terms of price segments, premium already accounts for a sizeable 29% of the market, with mid-price at 18% and low-price 53%. The Philippines is one of the largest menthol markets in the world at over 42 billion units, or half the market.

(SLIDE 49.)

We have formed a new company that combines the selected assets of Fortune Tobacco and PM Philippines. Together, the market share of these two companies was estimated to have been 92% in 2009 on a pro forma basis. The new joint company is chaired by Mr. Lucio Tan, while management rests with PMI. The integration process is progressing smoothly, with excellent cooperation between the two teams. We expect to start benefiting from synergies in manufacturing, purchasing and sales and distribution as of next year and accordingly we anticipate that this transaction will be mildly accretive to EPS in 2011.

(SLIDE 50.)

We are confident in our ability over the longer term to grow our business both organically and through acquisitions. Along with higher prices and continued rigorous cost controls, this is expected to drive strong revenue and income growth, which we will leverage further at the EPS level through our share repurchase program.

In conclusion, we expect to continue to deliver against our mid to long-term constant currency annual financial growth targets, as we did in 2008, 2009 and in the first quarter of this year, and therefore to remain an attractive investment for long-term shareholders.

(SLIDE 51.)

I will now open the meeting for questions and comments. This period will be followed by the resolution of items for voting.

I would ask that we *all* remember that this meeting represents an opportunity for stockholders, or their representatives, to express their views, whether favorable or otherwise. Whilst I value highly the chance to listen to your opinions and address your questions, I do expect the process to be based on mutual respect for the differing views represented in the audience.

As noted in the Agenda, each speaker is kindly asked to limit his or her comments to two minutes to allow everyone an opportunity to be heard. Stockholders should confine their remarks to matters that relate directly to the business of the meeting.

Also, please note that those who wish to speak a second time may do so only after all others who wish to speak have had their turn.

I have asked Penn to serve as timekeeper, so that everyone will have an equal amount of time.

We have allowed up to one hour for questions. There is a microphone in each of the two aisles.

If there is not enough time for all of your questions during this morning's meeting, please feel free to ask an usher for a card, fill it out and return it to an usher at the end of the meeting. We will respond to you as soon as possible.

Please address your questions or comments directly to me, and be sure to identify yourself.

Are there any questions or comments?

That concludes our question and comment period. We will now move on to the next stage of the meeting.

(SLIDE 52.)

The matters set forth in the notice of meeting will be put before the meeting at this time. Comments on each matter can be made after each one has been formally presented.

Now, I would like to ask the ushers to distribute Proxy Cards to any stockholders who may not have returned their proxies for voting on the matters to come before the meeting.

Stockholders who have already returned proxies need not submit a new Proxy Card. If anyone requires a Proxy Card, please raise your hand now.

The ushers will collect these cards, and deliver them to the Inspectors of Election, after the final item of business has been presented.

The first order of business is the election of ten directors.

Before I place the names in nomination, I would like to say a few words about our newest nominee for election, Ms. Jennifer Li. Jennifer currently serves as Chief Financial Officer at Baidu Inc., the largest internet search engine in China and the third largest independent search engine in the world. Her strong financial expertise, experience in a fast growing, high-technology business, and Asian background, will further strengthen the Board’s depth and global perspective. I am delighted that Jennifer has accepted our invitation to join the Board.

The following individuals have been nominated for election as director each to hold office until the next Annual Meeting of Stockholders or until his or her successor shall have been duly chosen.

(SLIDE 53.)

Harold Brown

(SLIDE 54.)

Mathis Cabiallavetta

(SLIDE 55.)

Louis C. Camilleri

(SLIDE 56.)

J. Dudley Fishburn

(SLIDE 57.)

Jennifer Li

(SLIDE 58.)

Graham Mackay

(SLIDE 59.)

Sergio Marchionne

(SLIDE 60.)

Lucio A. Noto

(SLIDE 61.)

Carlos Slim Helú

(SLIDE 62.)

And Stephen M. Wolf

(SLIDE 63.)

In accordance with the Company's by-laws, no other nominations may be made at this time.

If you would like to comment on the nominations, please proceed to a microphone.

Again, each speaker is asked to limit his or her comments to two minutes.

Please identify yourself before you begin.

The meeting is now open for comments on the nominations.

Are there any comments?

Thank you.

We will now turn to the second item on the agenda, the ratification of the selection of PricewaterhouseCoopers as independent auditors of the Company for the fiscal year ending December 31, 2010.

Are there any comments on this matter?

Thank you.

Are there any other comments?

As you know, the proxy statement contains two stockholder proposals.

We share the stated objectives of many of the proponents, but for a variety of reasons we think stockholders should vote against each of these proposals. Our views are fully set forth in the proxy and I urge stockholders to read each of the proposals as well as our responses. In the interest of time and for the sake of clarity, I do not intend to elaborate on the proposals or our views on them.

We ask that the proponent of each of the stockholder proposals keep his or her statement limited to four minutes. We also ask that other speakers restrict their comments to the stockholder proposal and limit their comments to two minutes. In advance, I thank you for your cooperation and understanding.

Is the proponent of the first stockholder proposal present?

Food Insecurity and Tobacco Use **–** Catherine Rowan, Trinity Health, claiming beneficial ownership of 105,081 shares will present the proposal.

Thank you. Are there any further comments on this proposal?

Thank you.

We will now move on to the second stockholder proposal. Is the proponent of the second stockholder proposal present?

Father Michael Crosby **–** Province of the Capuchin Order, claiming beneficial ownership of $2,000 worth of shares.

Thank you. Are there any further comments on this proposal?

The matters to be voted on have now been formally presented to the meeting. If you have not already done so, please complete your proxy card. After you have done so, raise your hand, and the ushers will collect all the proxy cards and deliver them to the Inspectors of Election.

Since all stockholders have now had time to vote, I declare the polls closed.

The ushers should now have collected all the proxies, and they are directed to deliver the proxies to the Inspectors of Election for counting.

Philip Morris International operates in excess of 160 markets worldwide and we employ more than 77,000 people who represent over 100 nationalities.

In all the markets in which we operate, we take our responsibility to contribute to the local community very seriously. We contribute, for example, to charitable, nonprofit organizations with the aim of making a critical and positive difference to the communities in which we do business and where our employees live and work.

By way of example, I will show you, in a moment, a video of some of the programs with which we are involved in Colombia, a country to which we are committed, both in terms of our business, as well as in our role as a responsible corporate citizen.

In June of 2009, PMI signed an investment and cooperation agreement with the Colombian authorities to invest $200 million over 20 years in the Colombian economy and tobacco industry. Later, in September, we entered into a Memorandum of Understanding with the Ministry of Agriculture on joint efforts to promote tobacco agronomy in Colombia, through which 27,000 new jobs are expected to be generated.

Our commitment to Colombia recognizes that it is a country suffering, to this day, from a sustained period of civil unrest. Indeed, according to the International Committee of the Red Cross, approximately one in three people surveyed in the country in 2009 have been affected to some degree by the armed conflict there.

Our contribution programs, managed by our affiliate, Coltabaco, therefore focus on the social and economic reintegration of those displaced or demobilized by the conflict, on aid towards the development of communities in remote zones and on assistance for vulnerable groups, including indigenous communities. As you will see, the platform which unites all these programs is education, often addressing the most basic learning needs.

These programs focus in particular on the region of La Guarija in the north-east of the country. Due to the particular social conditions and because of its geographic location along the coastline, La Guarija has historically served as a transit point for illegal drugs. The illiteracy rate in this region is estimated at 36%, nearly three times the national average.

Let’s watch the video.

You will have noted that our efforts in Colombia, as in other parts of the world, are often recognized and appreciated by the most senior of officials, reflecting the professionalism, dedication and enthusiasm of our employees. I truly believe that Philip Morris International is home to the most talented group of employees in the world and I take this opportunity to thank them all on your behalf.

The natural passage of time means that, on occasion, we are obliged to bid farewell to some of the best and brightest among them. I would like to take a moment to single out three such individuals who I count myself extremely fortunate to have been able to call both colleagues and friends.

(SLIDE 64.)

Chuck Wall, PMI’s Vice Chairman and former General Counsel is scheduled to retire next month after an illustrious career of more than 20 years with our former parent, Altria Group, Inc. and, more recently, with us. Chuck is undoubtedly one of the finest General Counsels ever to have served a company, and we have been extremely privileged to have benefitted from his vast experience over the years. On a personal note, Chuck has been a tremendous source of wisdom and counsel to me for which I am truly grateful.

(SLIDE 65.)

Also retiring next month is Jean-Claude Kunz, President of the Eastern Europe, Middle East and Africa Region, after a career with PMI that has spanned twenty-seven years. Jean-Claude has personally written some of the most exciting and illustrious chapters of our history in this important part of the world. We would not be the industry leader in the EEMA Region today had it not been in large part for his vision, determination and leadership.

(SLIDE 66.)

Today is Penn Holsenbeck’s last annual meeting in his capacity as PMI’s Vice President and Corporate Secretary. After 15 years of distinguished service with both Altria and PMI, Penn is retiring at the end of this year. Penn’s knowledge of corporate governance issues, as well as securities law, is encyclopedic. His advice to the Board has been invaluable. Indeed, many of you in this room have also witnessed his vast intellect, charm and humility in dealing with numerous stockholder matters. Over the years, Penn has been of immense personal help to me, and I shall be forever grateful.

As and when Chuck, Jean-Claude and Penn take their well-earned retirement, they will be sorely missed. Please join with me in saluting their truly exceptional contributions and service to our company.

(SLIDE 67.)

I will now ask one of the Inspectors of Election to deliver their report to the Secretary.

Will the Secretary please read the report.

Thank you, Penn.

I would now ask the Secretary to file with the records of the meeting, the Inspector's Report, the oath of the Inspectors of Election, their certificate and the proxies. Final voting results will be included in a Form 8-K that we will file with the SEC in the next couple of days.

And now, there being no further business to come before the meeting, I hereby declare the meeting adjourned. Thank you all very much for coming.