PHILIP MORRIS INTERNATIONAL

2012 INVESTOR DAY

Investor Day
Lausanne, June 22, 2012

Hermann Waldemer
Chief Financial Officer
Philip Morris International

Agenda

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- Guidance and currencies
- Key growth drivers
- Tremendous cash flow
- Solid capital structure
- Generous cash returns to shareholders
- Superior shareholder returns
- PMI continues to be a very attractive investment

Updated 2012 EPS Guidance

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- Change in guidance due to an additional 10 cents in unfavorable currency
- Forecast currency headwind of 25 cents at prevailing exchange rates
- Strength of underlying business remains fully intact
- Updated reported diluted EPS guidance for 2012 is $5.10 to $5.20, which, compared to $4.85 in 2011, represents an increase of approximately 5% to 7%

Recent Currency Volatility

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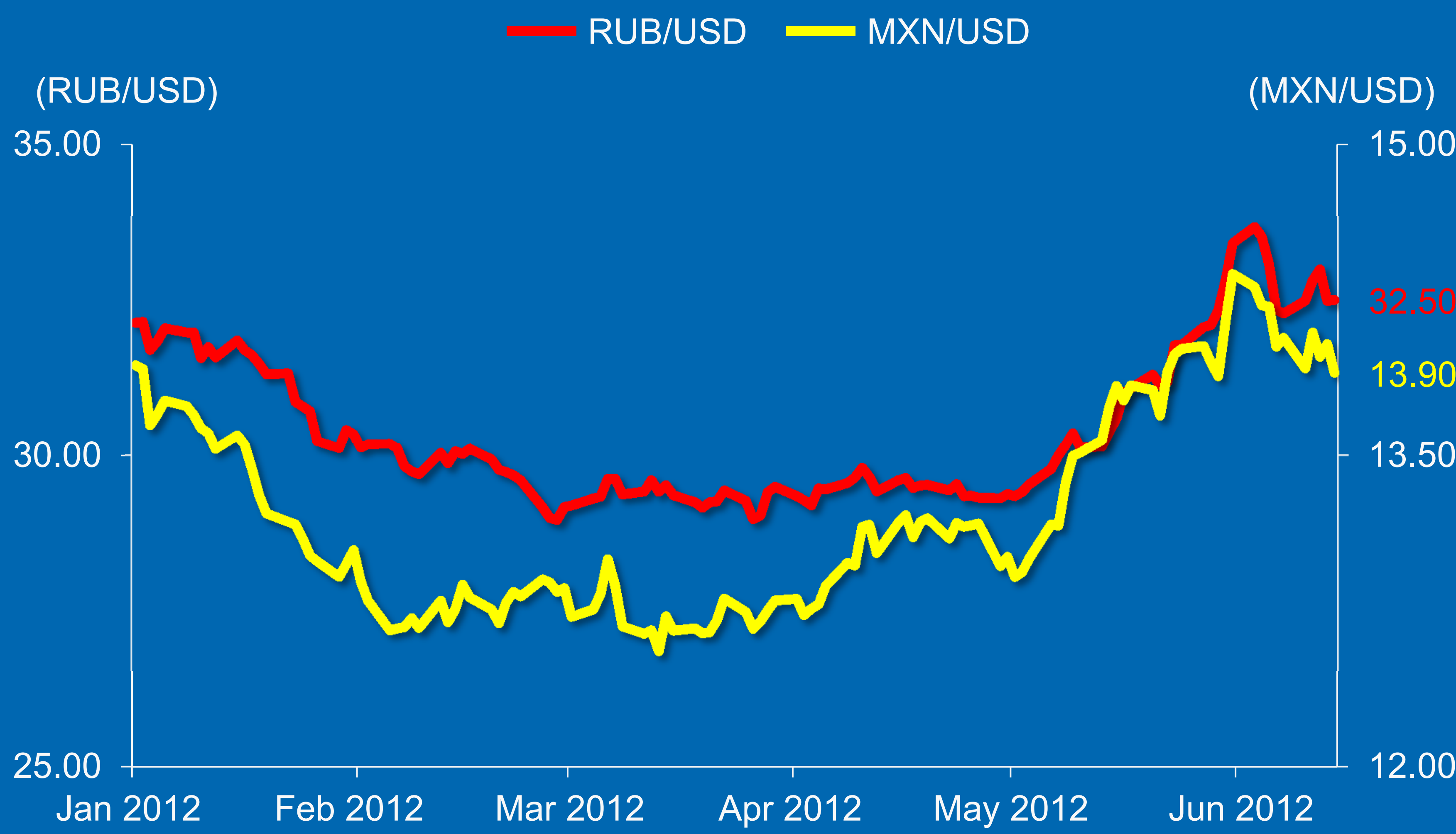
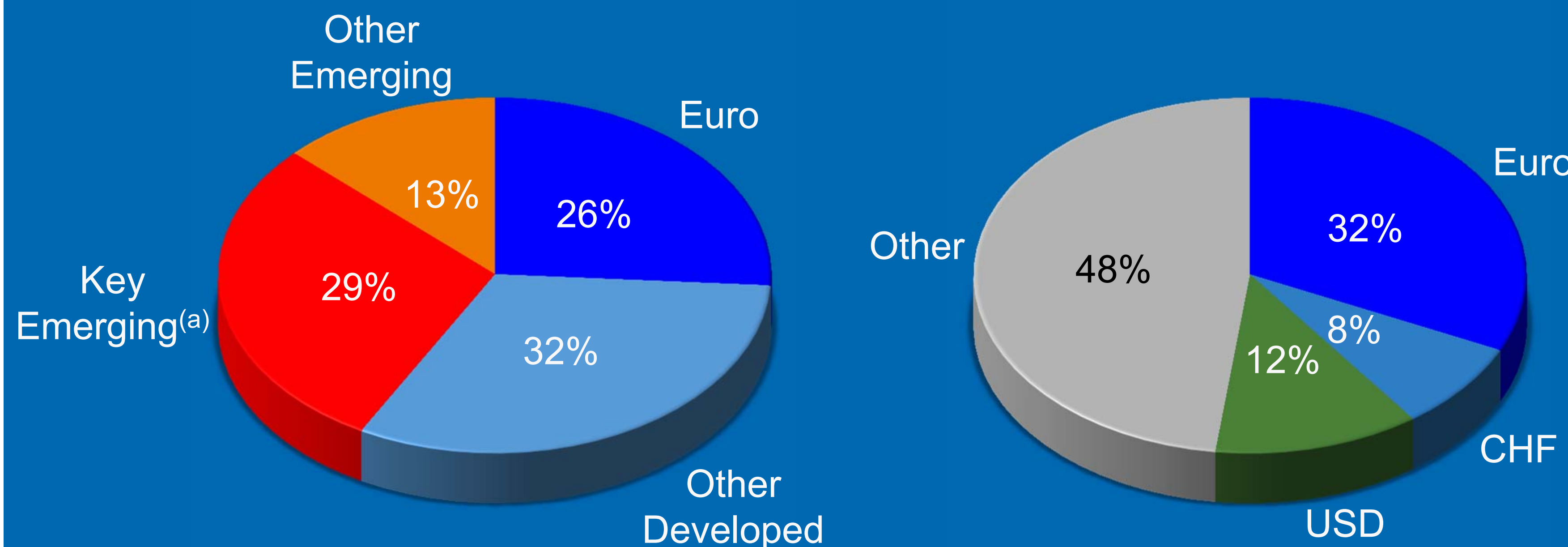
Source: Bloomberg through June 15, 2012

Recent Currency Volatility



Source: Bloomberg through June 15, 2012

Broad Basket of Currencies



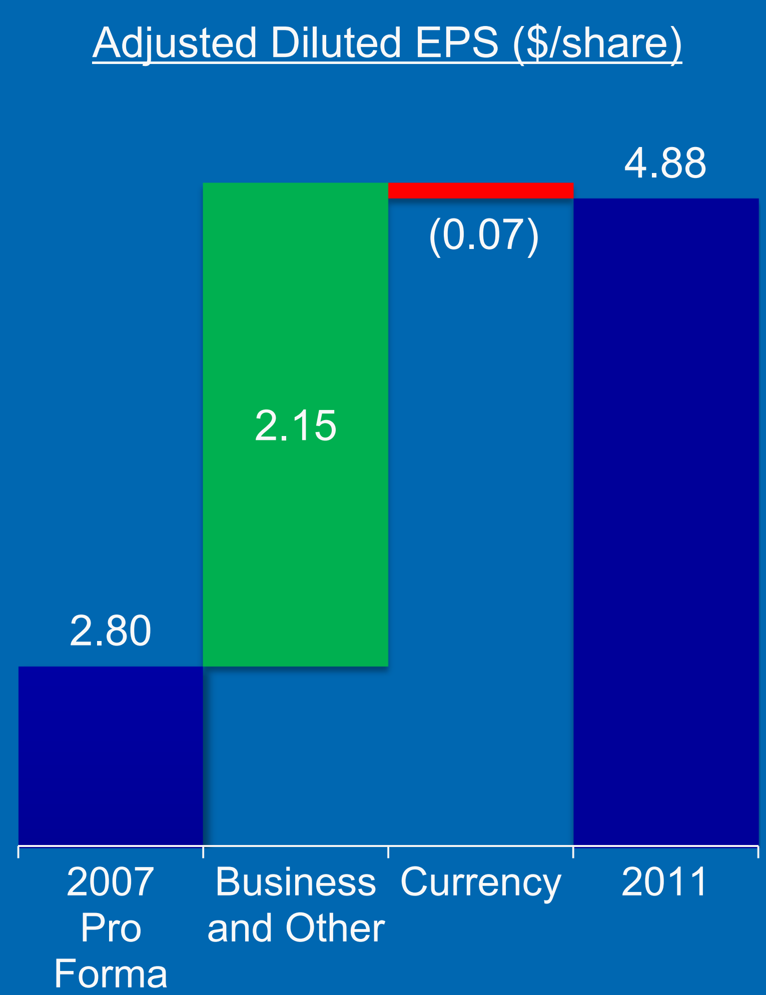
2011 Net Revenues:
$31.1 billion

2011 Total Costs[b]:
$18.8 billion

(a) Includes the Russian Ruble, the Ukrainian Hryvna, the Turkish Lira, the Indonesian Rupiah, the Philippine Peso and the Mexican Peso
(b) Includes allowances
Source: PMI Financials

Currencies: Longer Term Perspective

- Broad currency basket provides, to some extent, a natural hedge
- Always some favorable or unfavorable movements
- Since 2007 pro forma, cumulative currency impact has been rather insignificant



Source: PMI Financials

Updated 2012 EPS Guidance

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- On a currency-neutral basis, our updated reported diluted EPS guidance maintains a forecast growth rate of approximately 10% to 12%, compared to adjusted diluted EPS of $4.88 in 2011
- Guidance takes into account Q2 “hurdle” from exceptional circumstances last year in Japan of 10 cents on an EPS basis

Key Growth Drivers

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- Our superior geographic footprint

Key Growth Drivers

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- Superior brand portfolio and geographic diversity

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Key Growth Drivers

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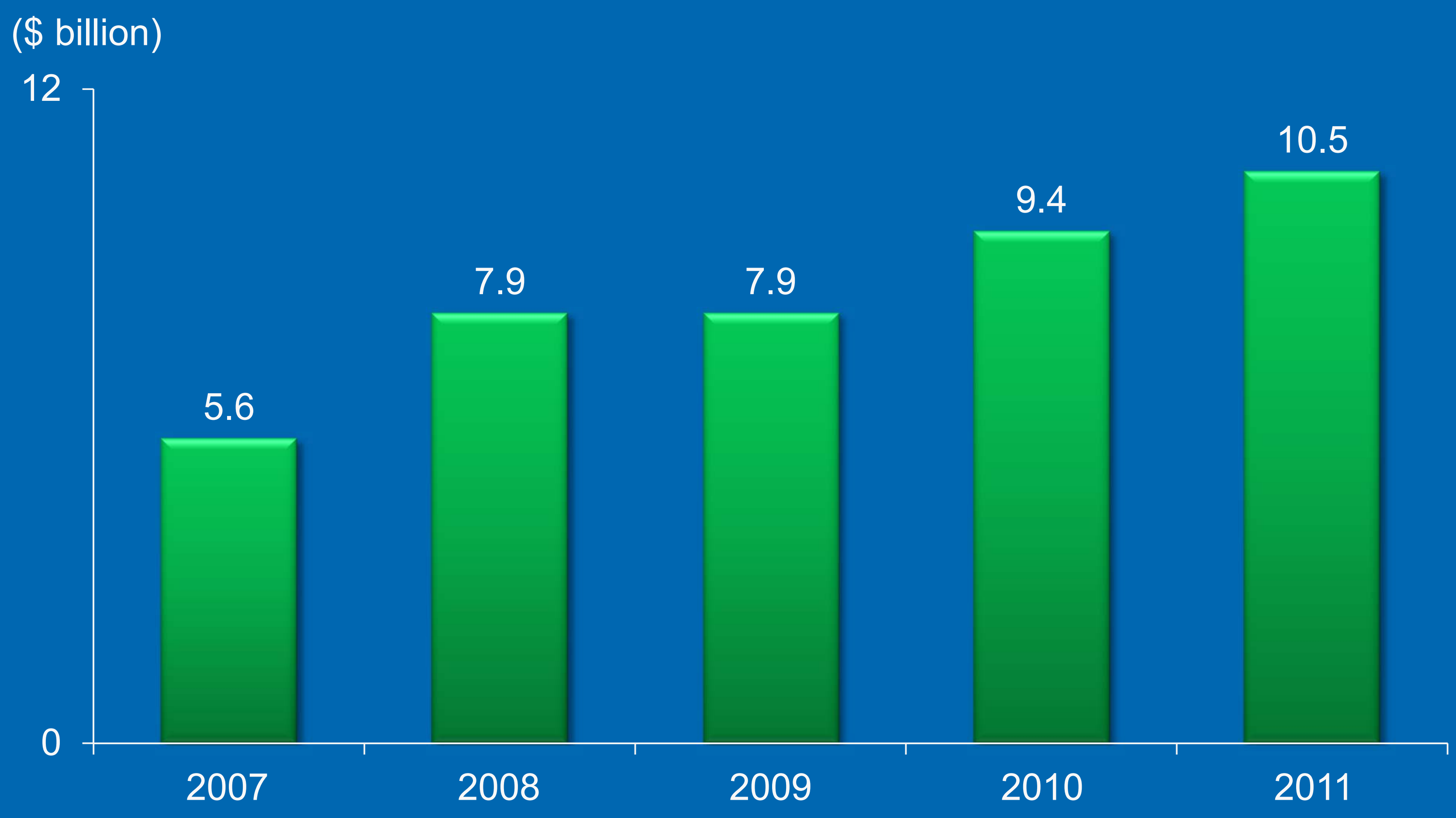
- Our superior geographic footprint
- Superior brand portfolio and geographic diversity
- Favorable pricing and reasonable excise tax environment
- Cost controls and productivity gains

Strong Operating Cash Flow Generation



Source: PMI Financials

Reduction in Working Capital Requirements

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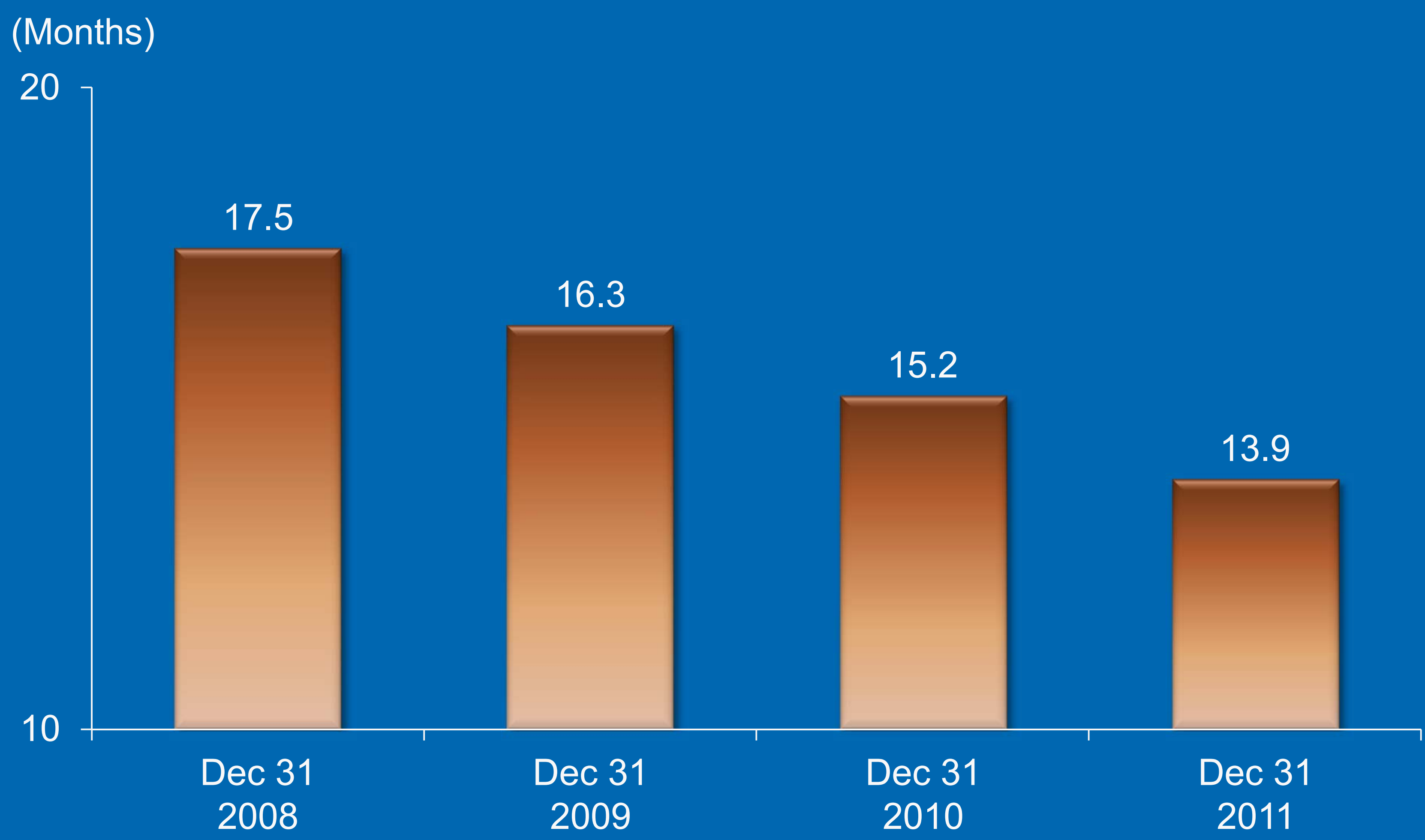
- $1 billion three-year program initiated in November 2009
- Program completed ahead of schedule by end 2010
- Key focus:
  - Leaf inventories
  - Finished goods inventories

Source: PMI Financials

Leaf Inventory Durations Reduced



Source: PMI Financials and PMI forecasts

Finished Goods Inventories Reduced

Source: PMI Financials

Growing Free Cash Flow at Double-Digit Rate

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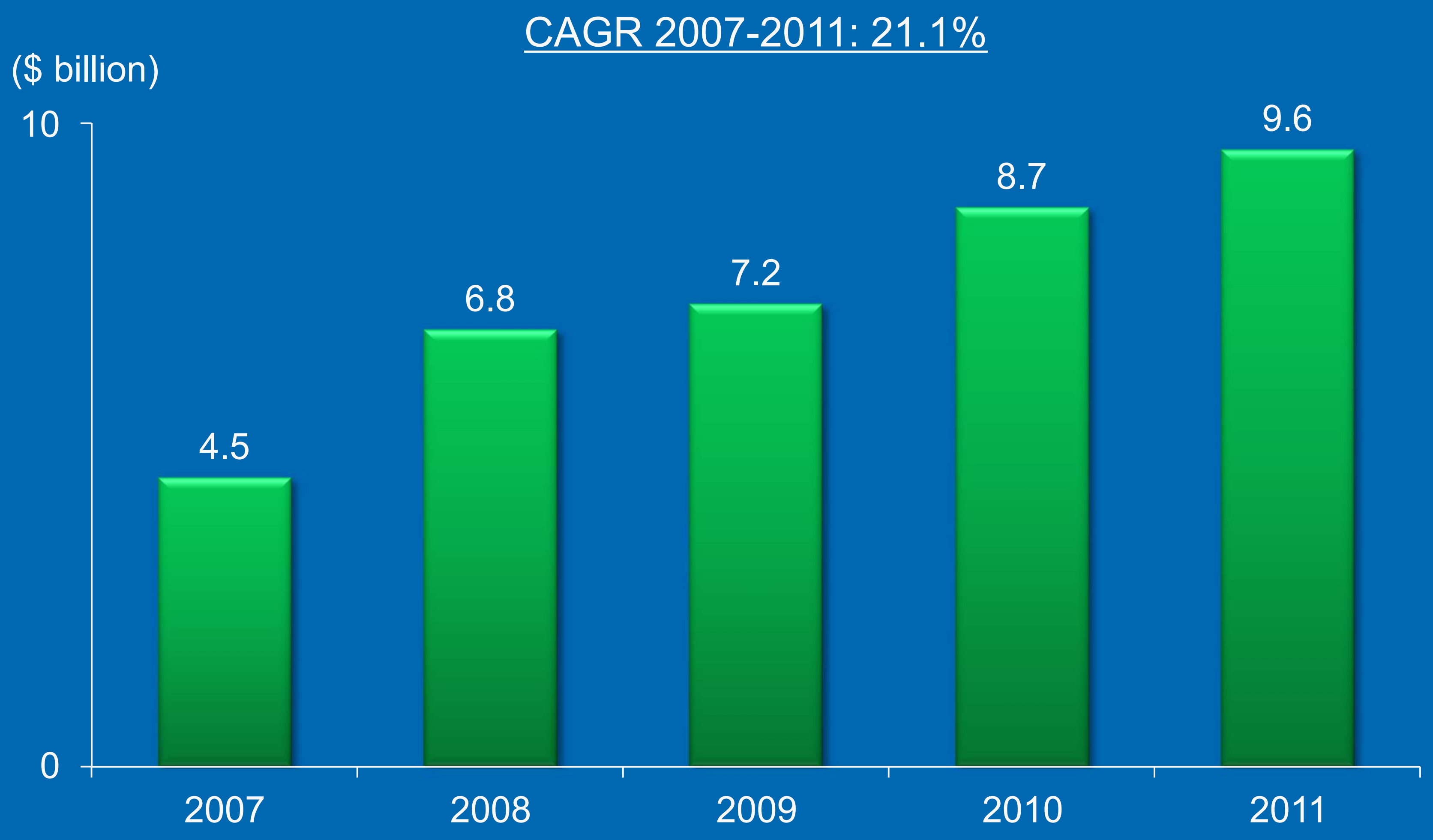

Source: PMI Financials

Q1, 2012 Free Cash Flow Impacted by Working Capital Requirements

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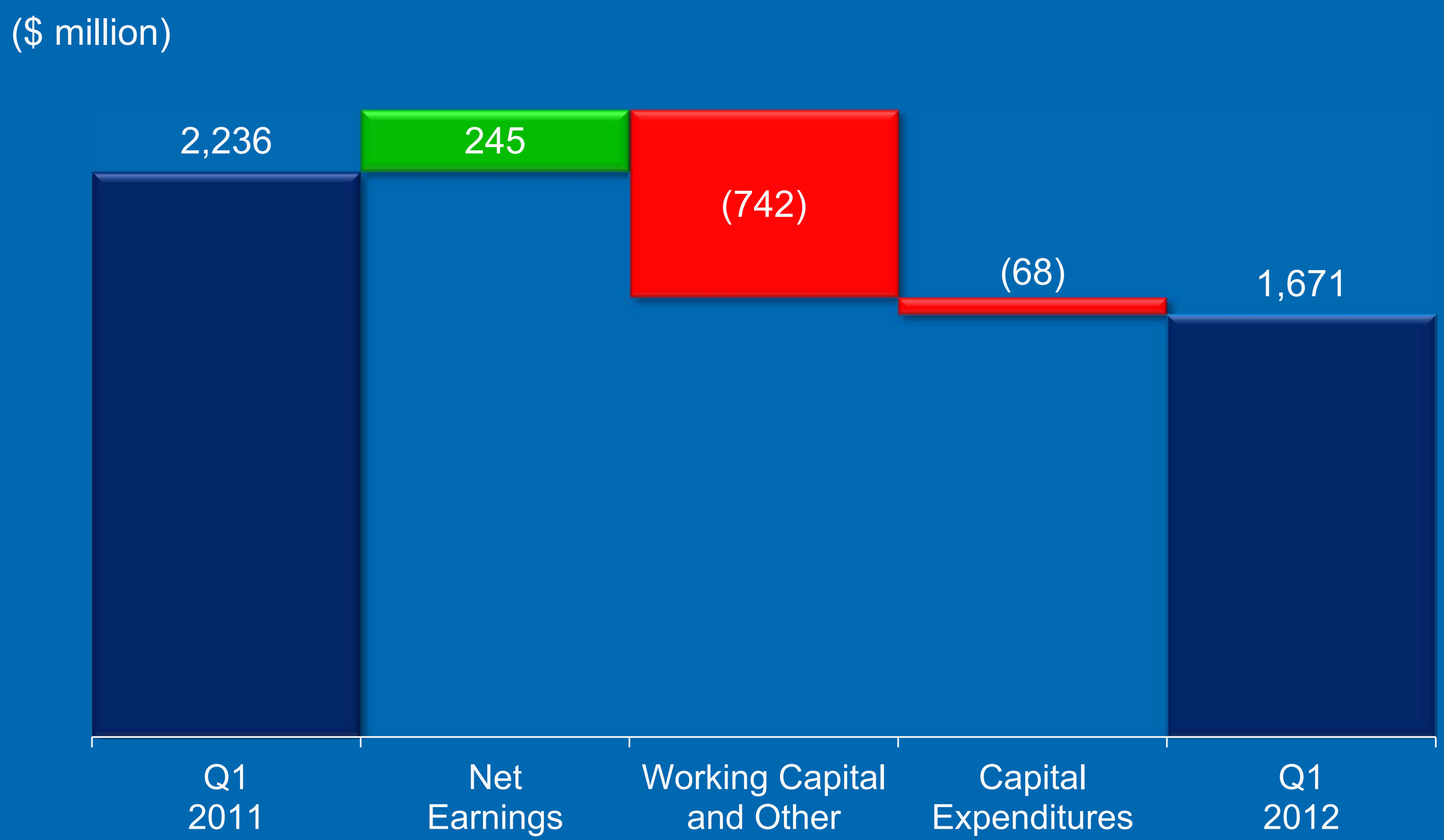

Source: PMI Financials

Transforming Greater Portion of Net Revenues into Free Cash Flow

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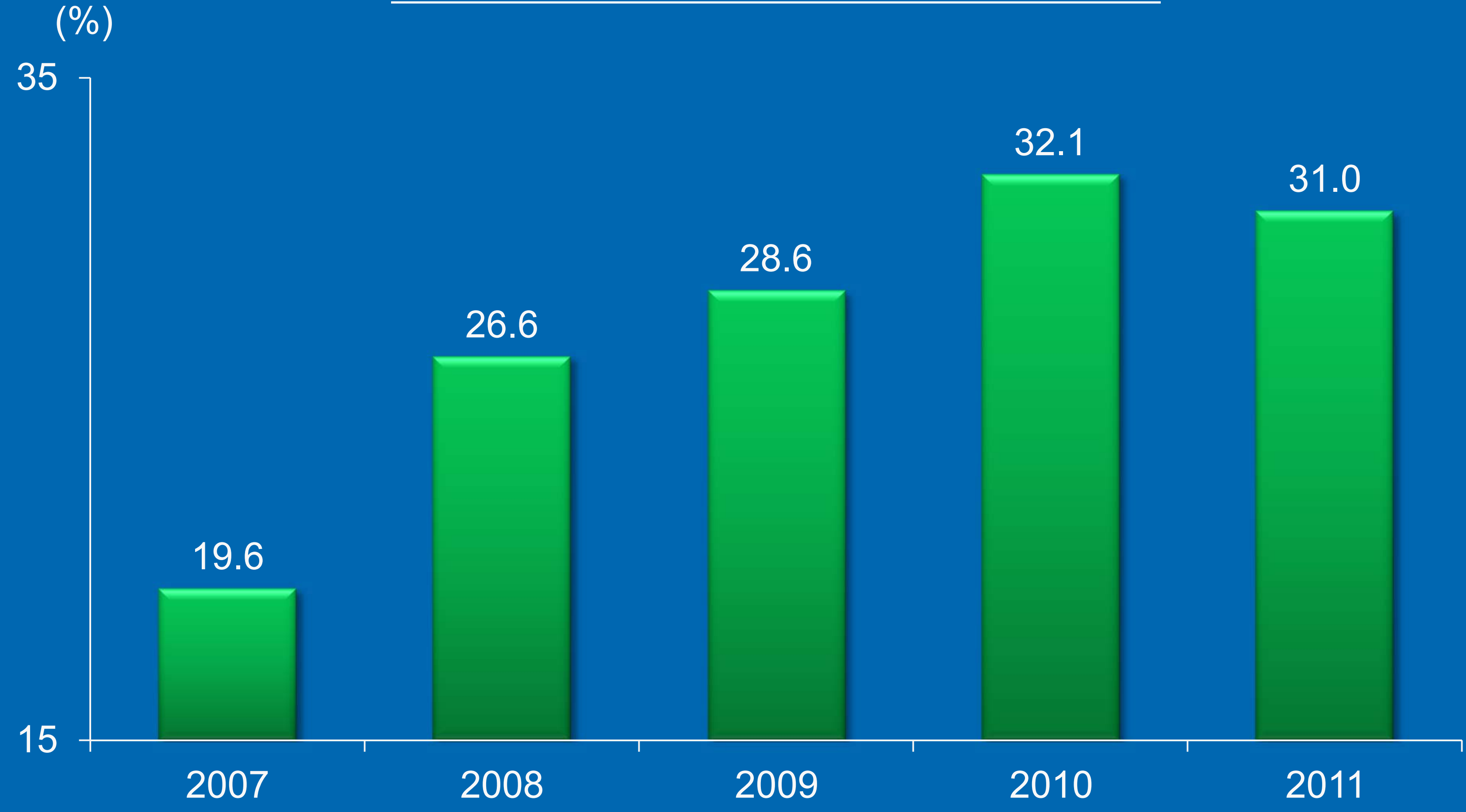
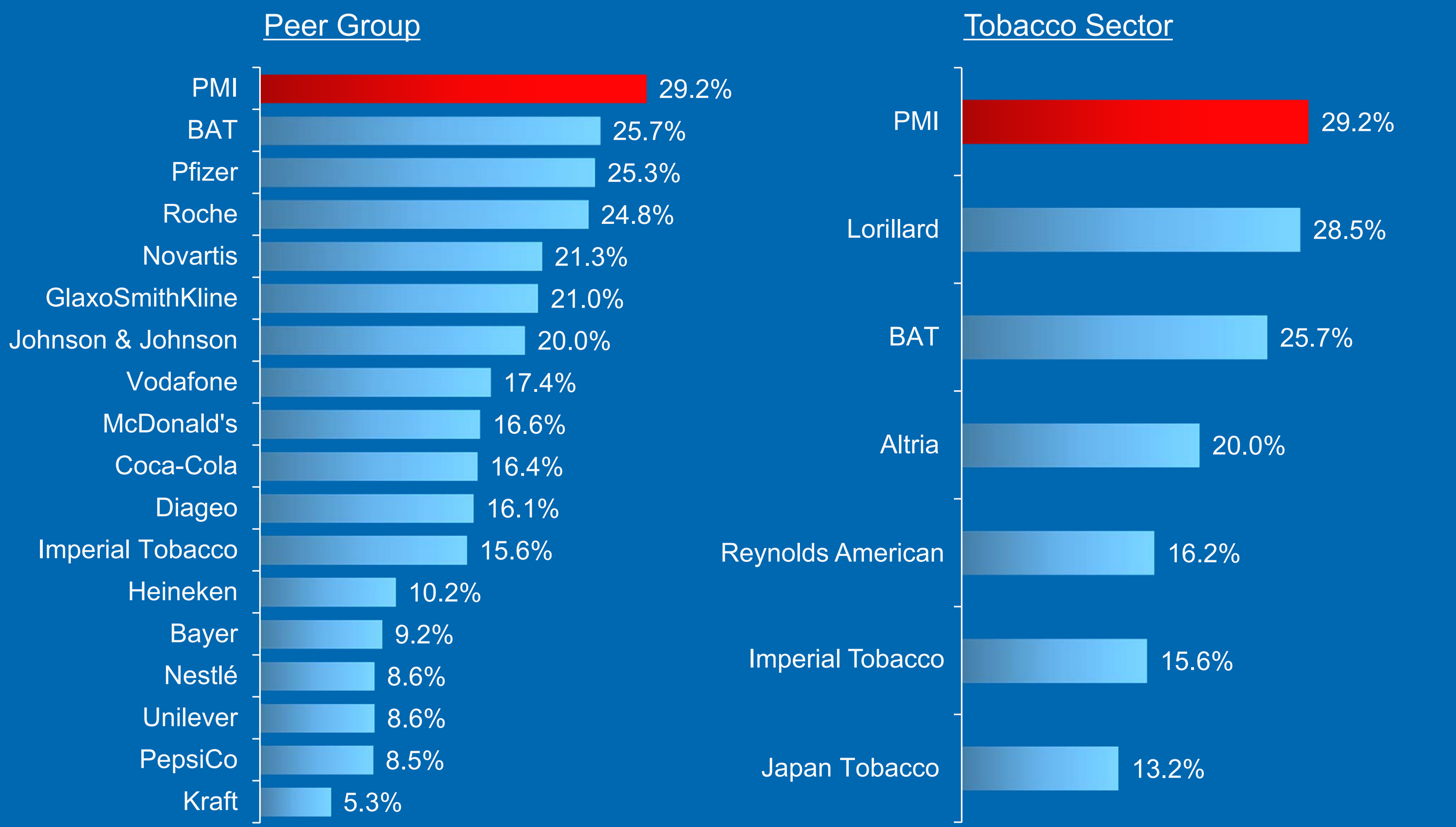
Free Cash Flow as a % of Net Revenues



Source: PMI Financials

Superior Transformation of Net Revenues into Free Cash Flow



Note: Free cash flow as a percentage of net revenues is defined as total 2008 – March 31, 2012 period free cash flow over total 2008 – March 31, 2012 period net revenues. Nearest comparable period is used where the 2008 – March 31, 2012 comparison is not available. PMI's free cash flow and net revenues for the period were $34,032 million and $116,493 million, respectively

Source: Company filings, compiled by Centerview

Very Solid Capital Structure

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- Growing cash flow underpins our strong balance sheet
- Long-term credit ratings: A2 / A / A
- Short-term credit ratings: P-1 / A-1 / F1
- Over $17 billion in well-laddered bonds
- Attractive weighted-average all-in financing costs of 4.4% in 2011
- Total available and undrawn bank revolving credit facilities of $6.0 billion
- Access to tier 1 commercial paper market

Note: Ratings are by Moody's, Standard & Poor's and Fitch
Source: PMI Financials

Taking Advantage of Strong Credit Rating

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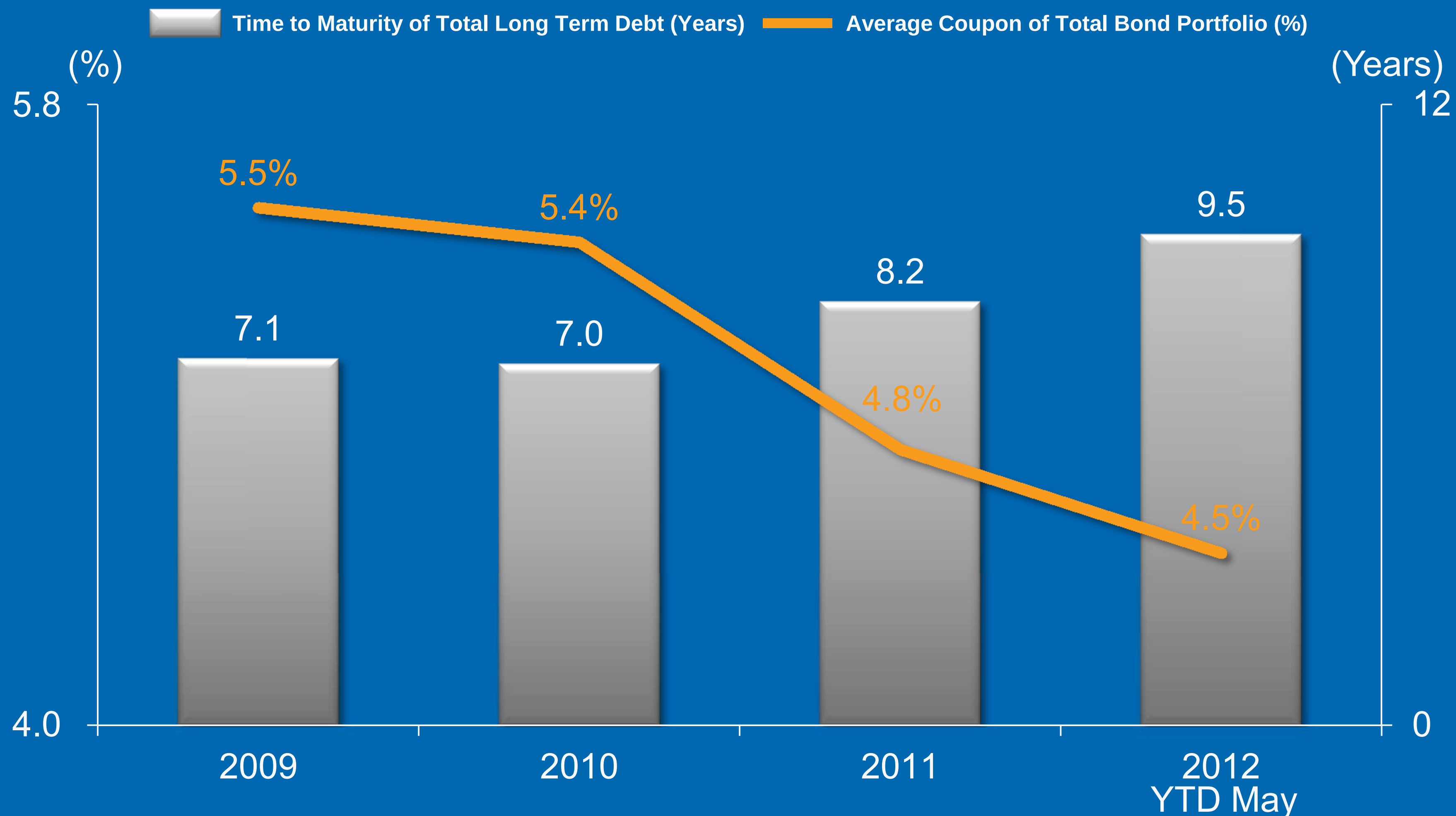
Long Term Debt Interest and Time to Maturity



Note: Average Coupon of Total Bond Portfolio is calculated based on historical exchange rates. Time to Maturity of Total Long Term Debt excludes the current portion of the Bond Portfolio and reflects the weighted average at the respective year-end. The 2012 Time to Maturity and the Total Bond Portfolio are based on the outstanding bonds as of May 31, 2012

Source: PMI Financials

Recent Very Attractive Bond Issues

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- November 2011 issue:
  - $750 million 10-year 2.900% coupon
  - $750 million 30-year 4.375% coupon
- May 2012 issue:
  - €750 million 7-year 2.125% coupon
  - €600 million 12-year 2.875% coupon

Source: PMI Financials

Very Well-Laddered Bond Portfolio

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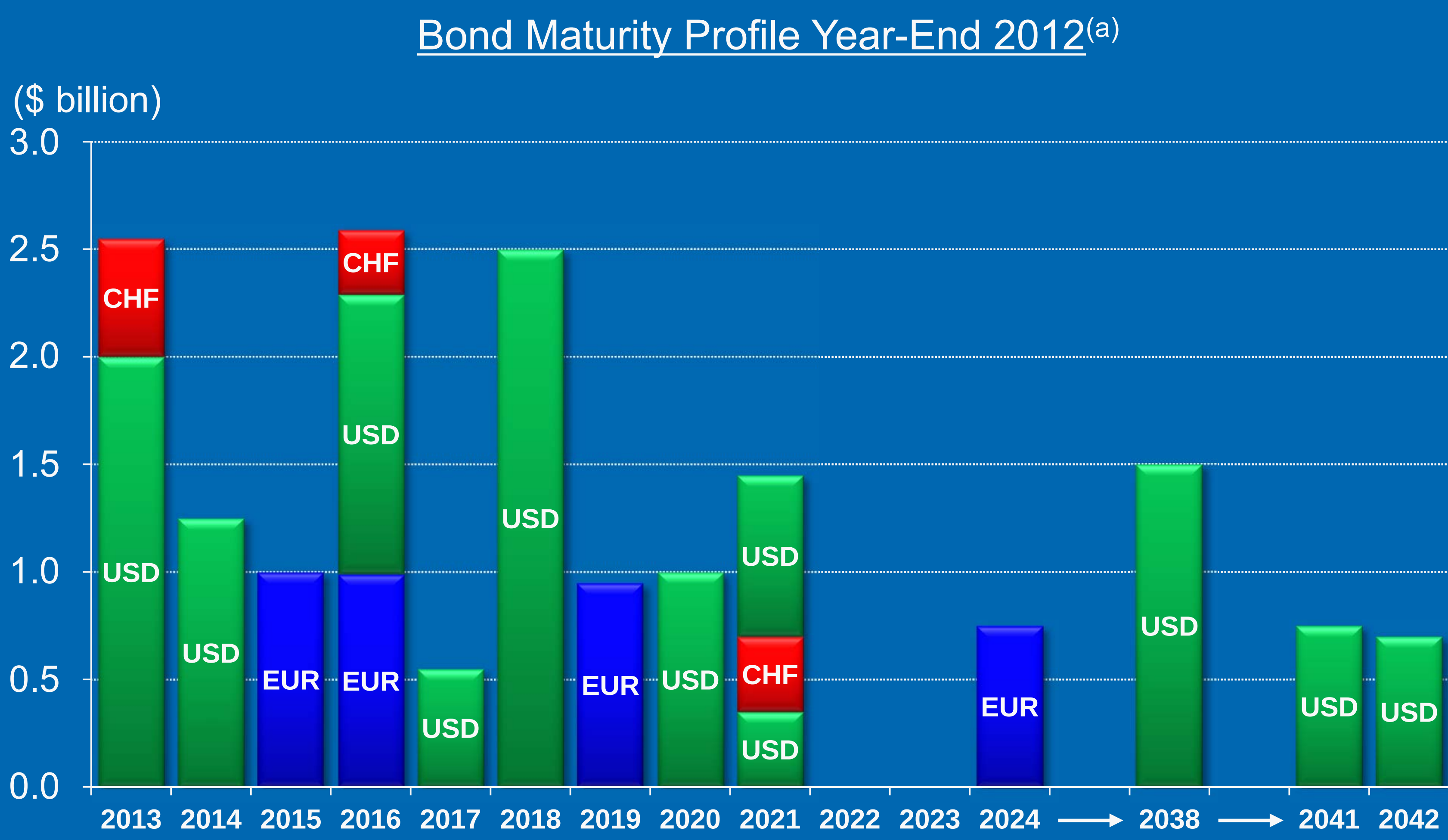

(a) Year-end 2012 based on outstanding bond portfolio as of May 31, 2012
Source: PMI Financials

Net Debt to EBITDA

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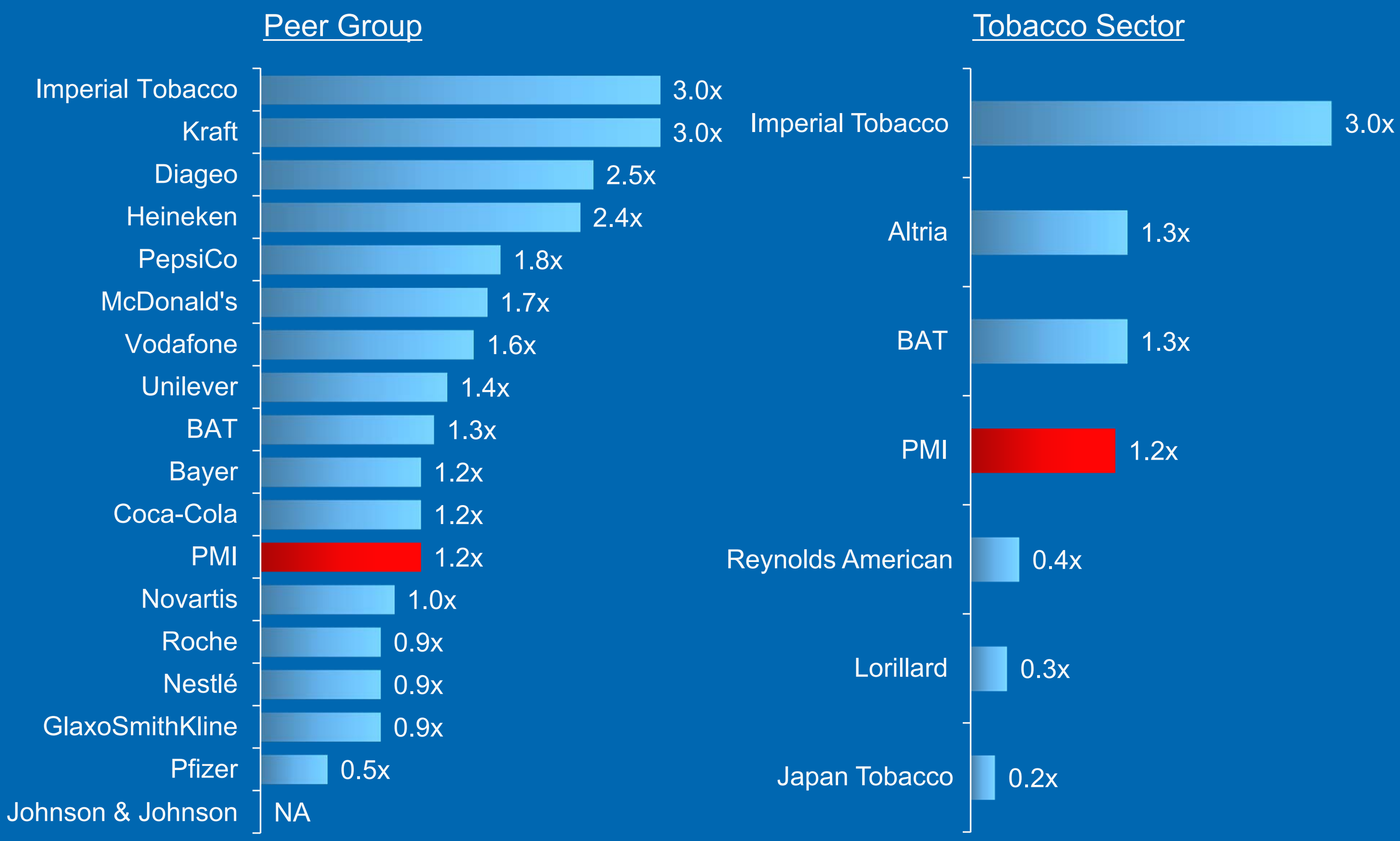

Note: PMI's Net Debt and EBITDA were $17,265 million and $14,709 million for the 12 months ending March 31, 2012, respectively. Peer comparisons exclude certain one-time items and restructuring costs. Figures are for the 12 month period ending March 31, 2012 or nearest comparable period. McDonald's figure shown pro forma for $7 billion in operating lease liabilities
Source: Company filings and FactSet, compiled by Centerview

Focused Use of Cash Flow to Enhance Shareholder Returns

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2008-2011

Free Cash Flow
$32.4 billion

Net Debt Issuance and Other
$9.9 billion

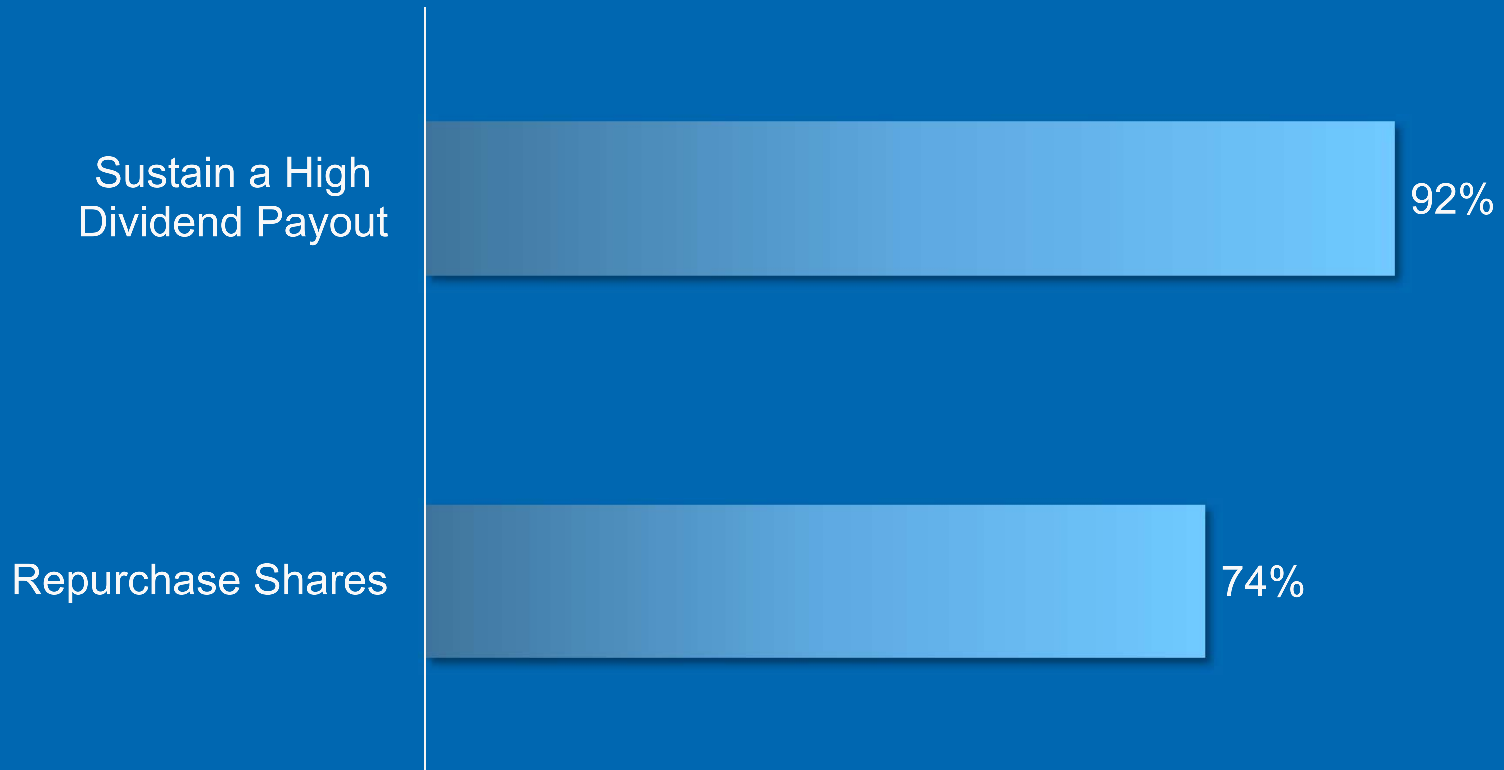
Cash Available
$42.3 billion

Dividends[(a)]	Share Repurchases	Acquisitions
$18.6 billion	$21.4 billion	$2.3 billion
44%	51%	5%

(a) Including dividend of $3.0 billion paid in April 2008 to Altria Group, Inc.
Source: PMI Financials

Listening to our Shareholders

Capital Deployment Preferences (2009-2011 Average)



Source: Rivel Research Group

Very Significant Dividend Increases

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Note: Dividends for 2008 and 2011 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 2011 is based on a quarterly dividend of $0.77 per common share, declared September 14, 2011
Source: PMI Financials

Superior Dividend Growth (Since 2008)

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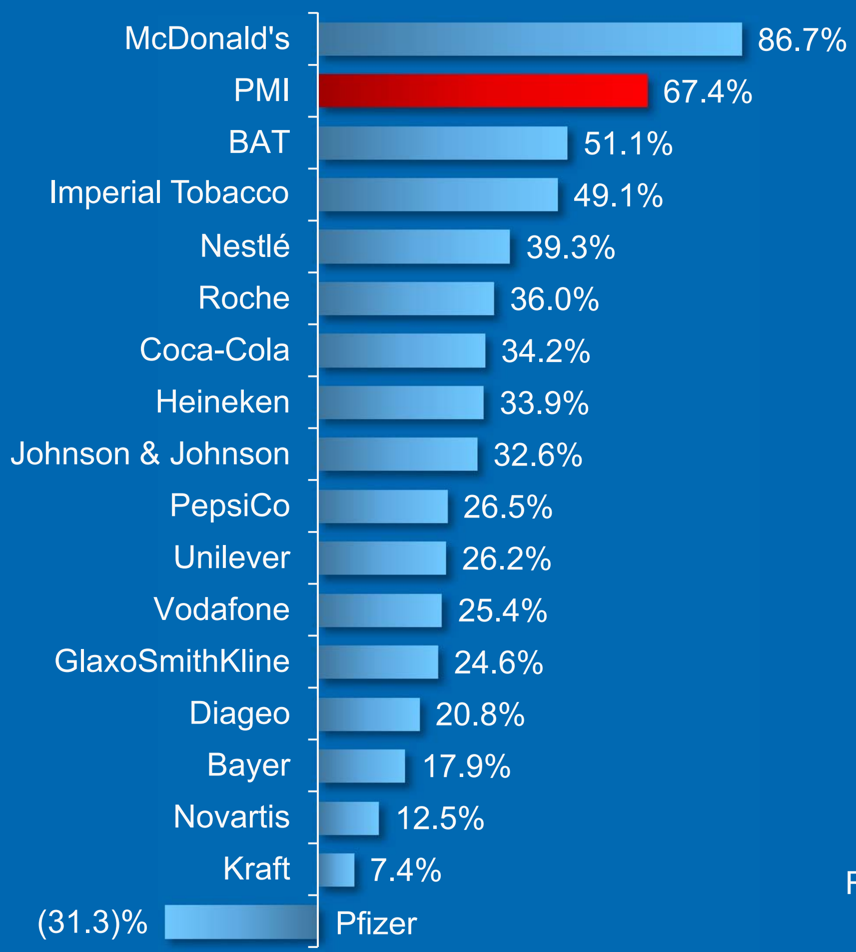
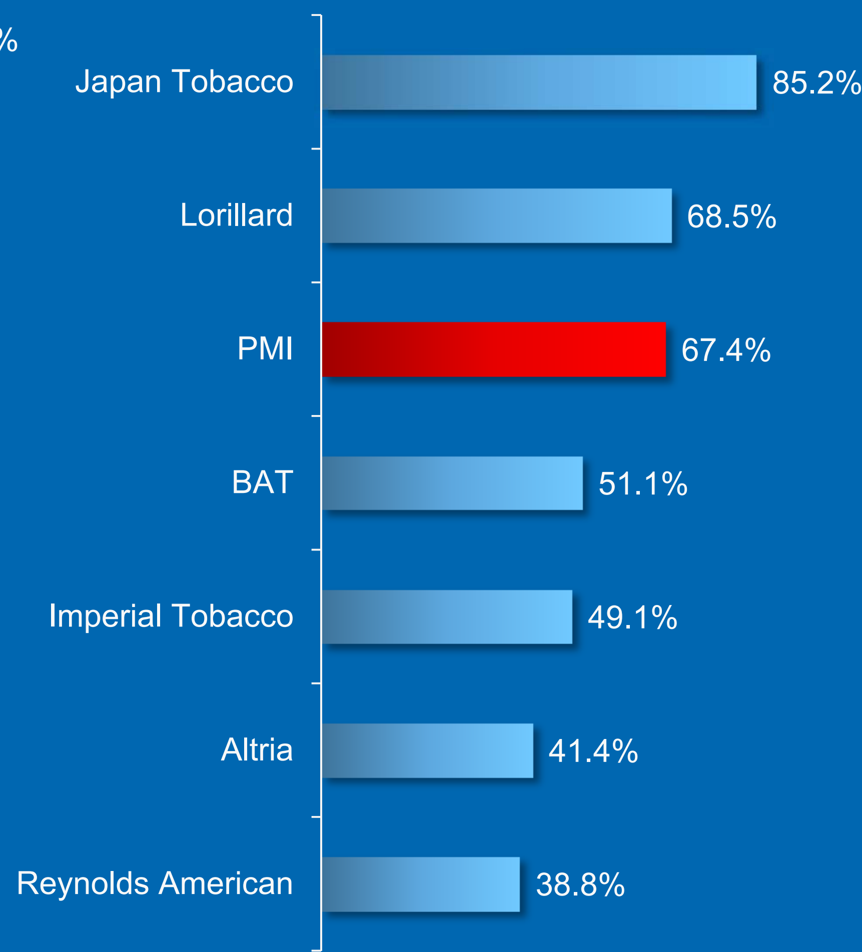
Peer Group



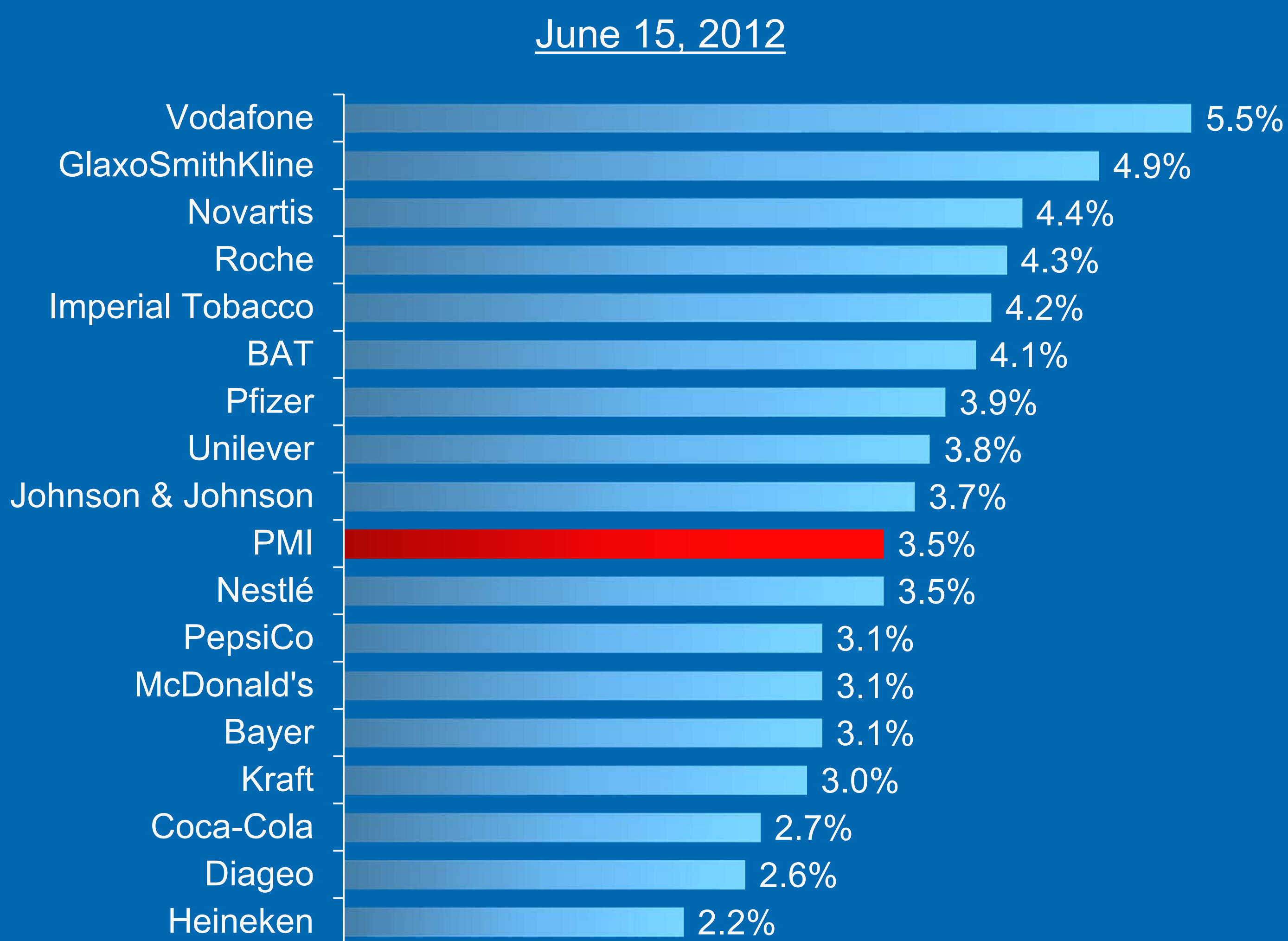
Tobacco Sector



Note: PMI reflects absolute growth in annualized announced dividends from time of first PMI dividend of $0.46 in June 2008 until present. Peer companies reflect absolute growth from FY 2008 dividends or Q2, 2008 annualized dividend through current last twelve months dividends or current last quarter annualized as appropriate

Source: FactSet, compiled by Centerview

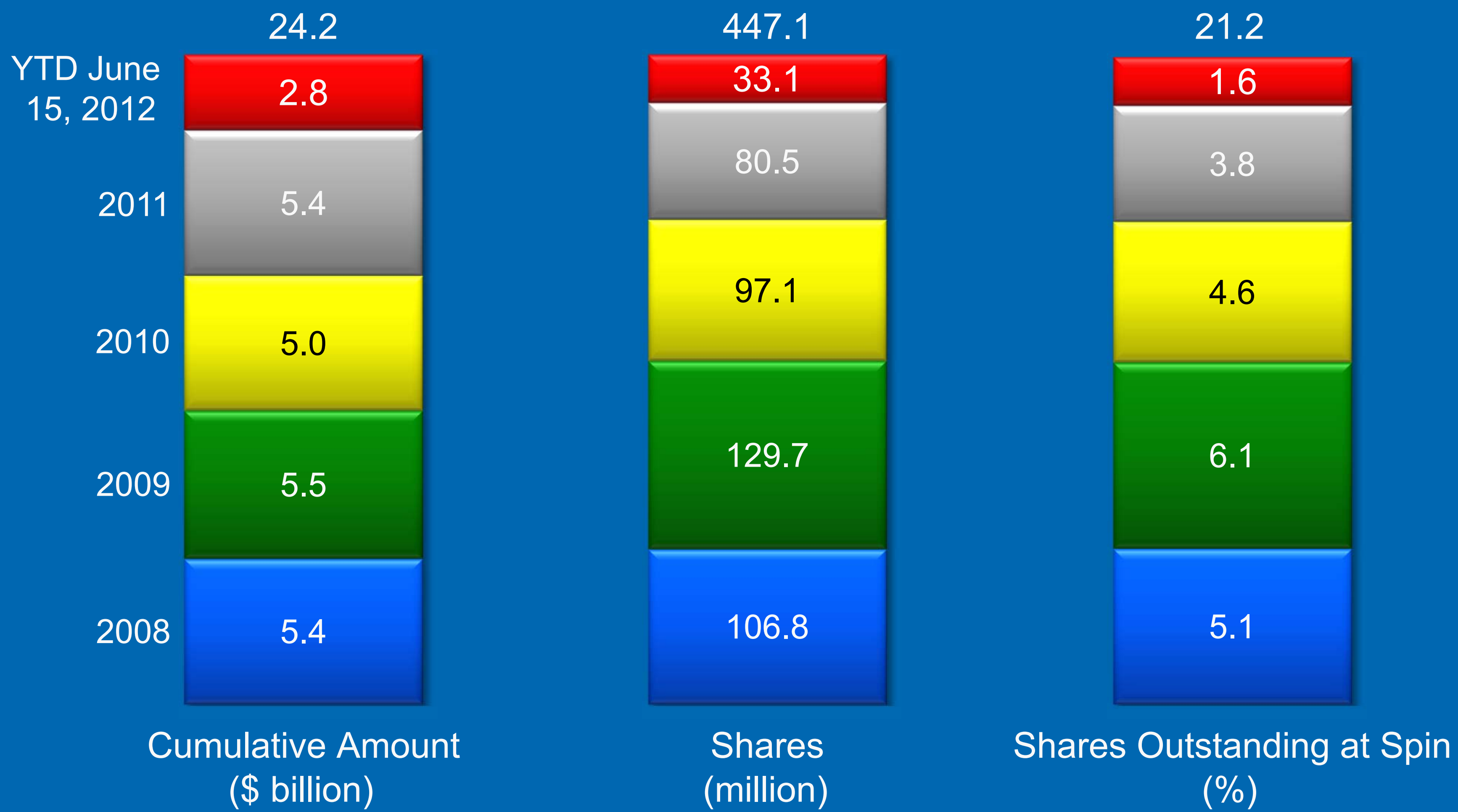
Attractive Dividend Yield



Note: Dividend yield represents the annualized dividend on June 15, 2012, over the closing share price on that date. The share price for PMI was $87.73 as of June 15, 2012. The annualized dividend was $3.08. Vodafone dividend yield excludes special dividend announced July 28, 2011. GlaxoSmithKline dividend yield excludes special dividend announced February 7, 2012

Source: Company filings and FactSet, compiled by Centerview

Substantial Share Repurchase Programs



Note: The outstanding PMI shares at the time of the spin were 2,109 million. Totals may not add due to rounding
Source: PMI Financials

New $18 Billion Share Repurchase Program

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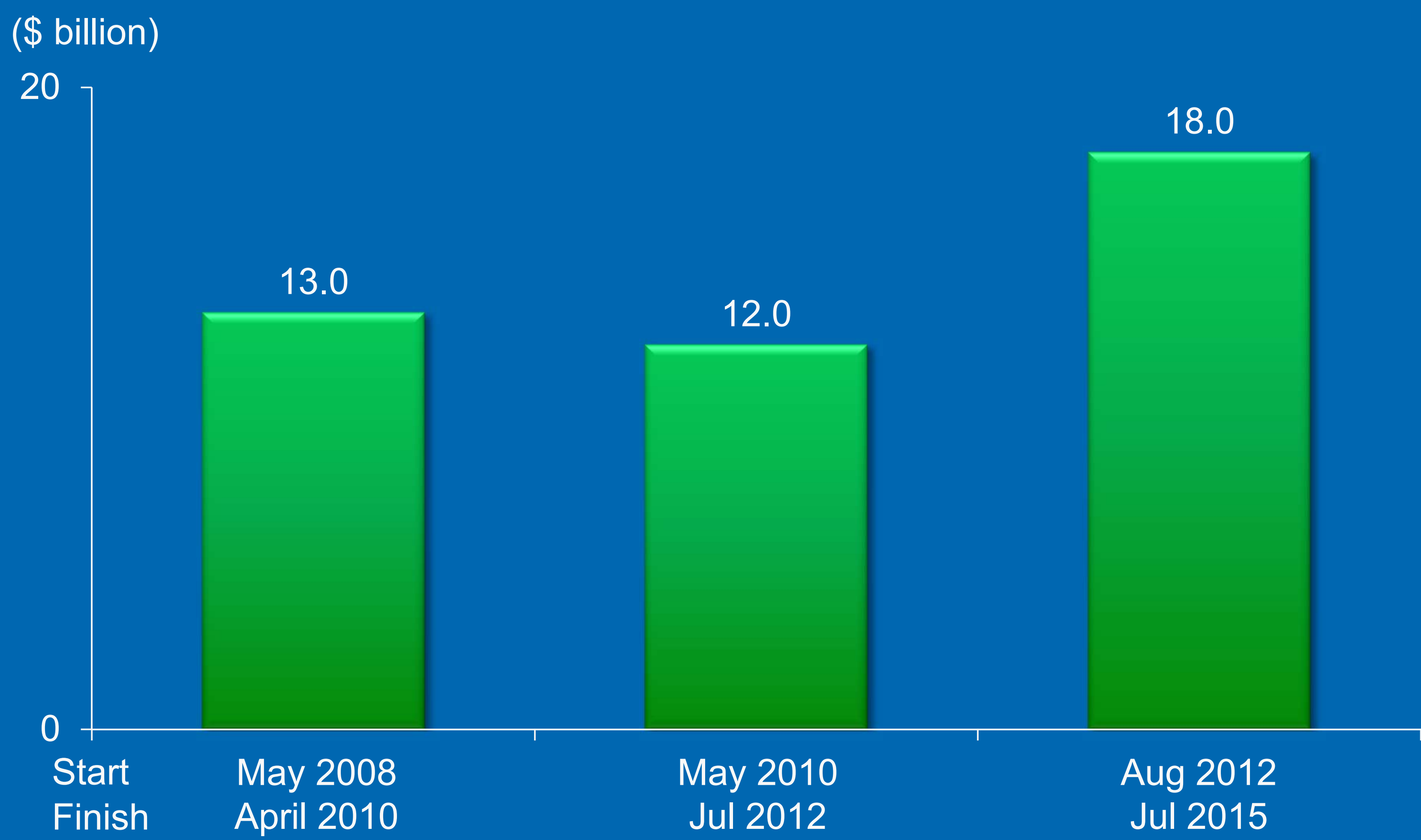
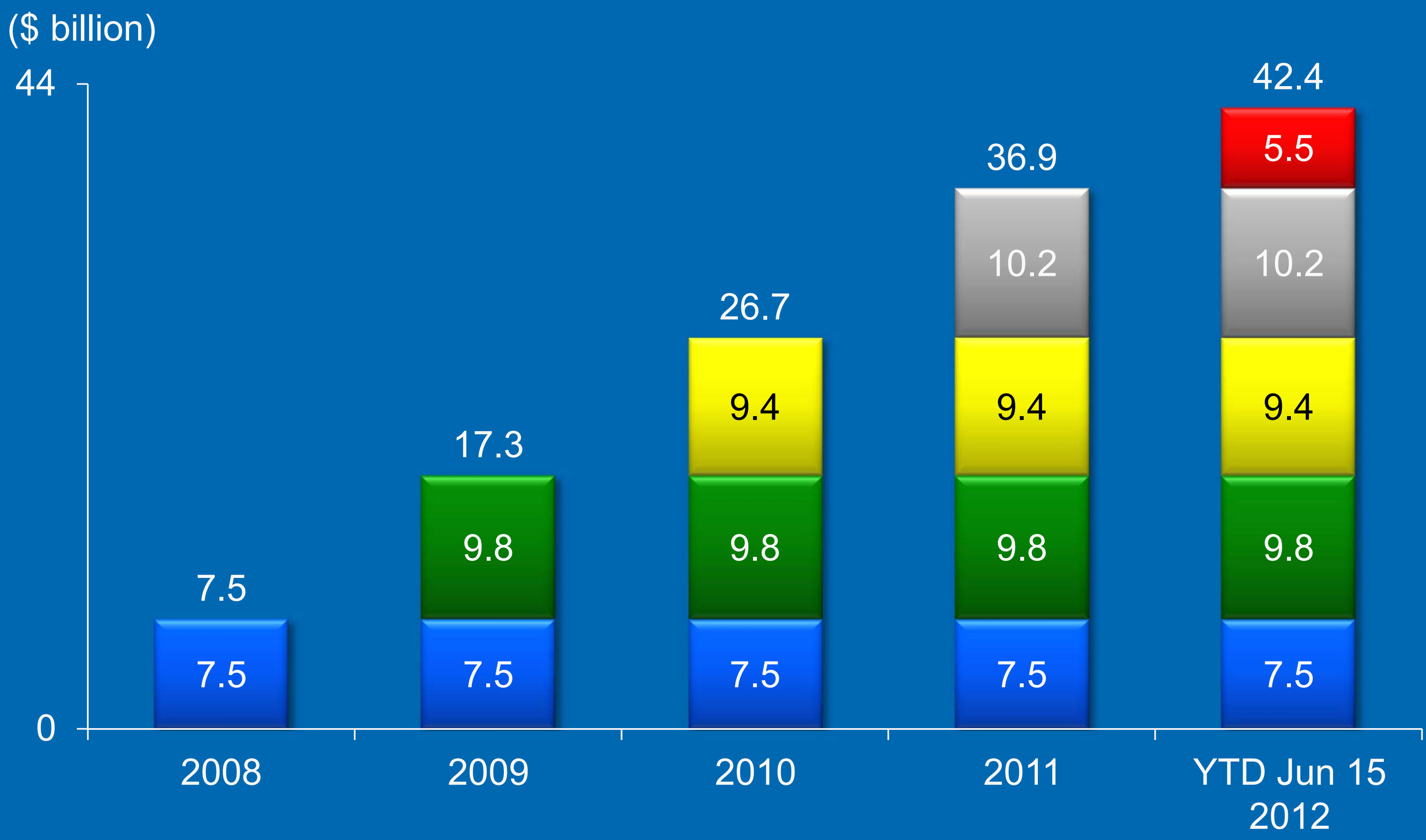


Source: PMI Financials

Over $40 Billion Returned to Shareholders Through 15 June 2012



Note: Totals may not add due to rounding
Source: PMI Financials

Superior Shareholder Returns

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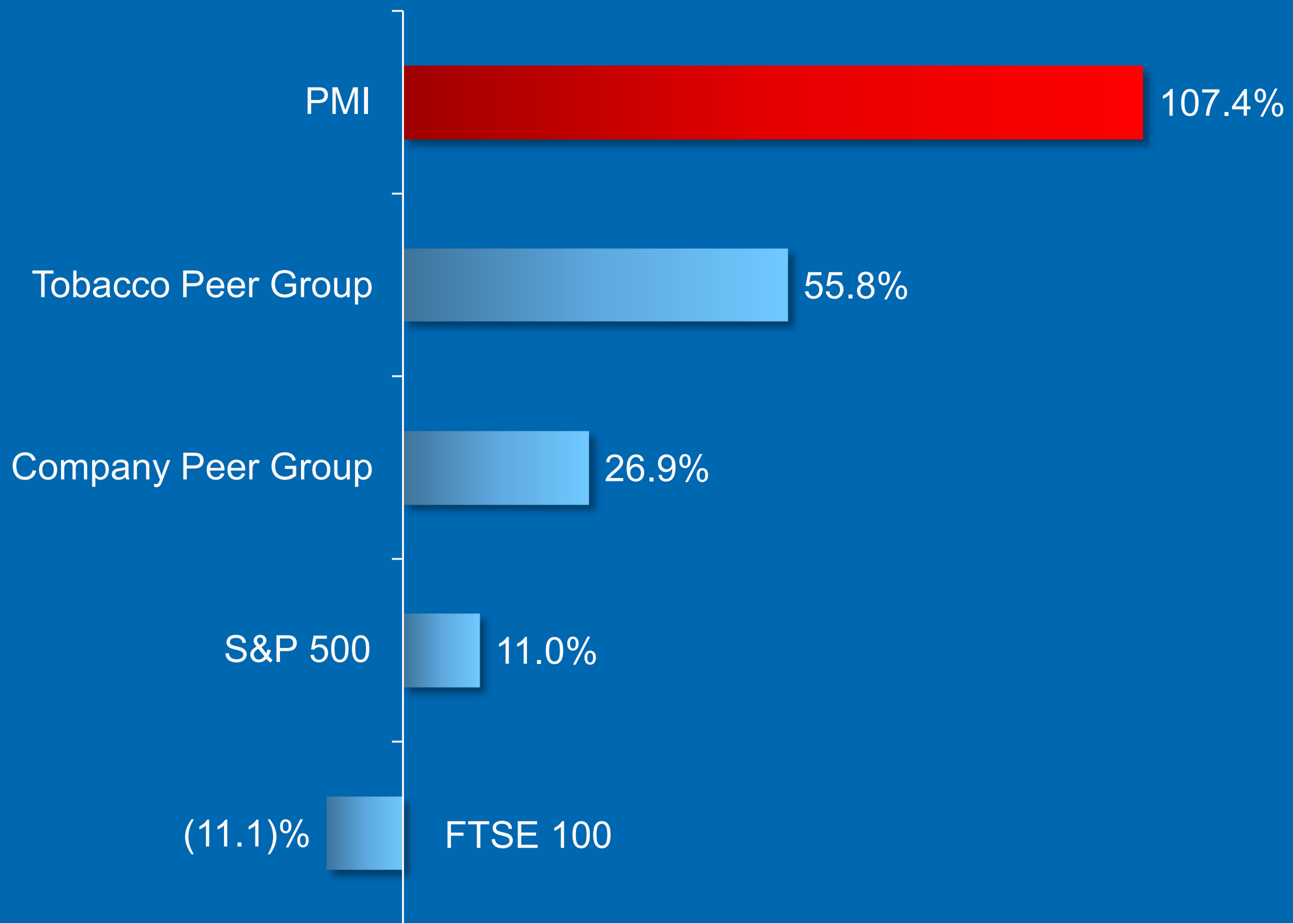
March 28, 2008 – June 15, 2012



Note: Peer groups represent the market weighted average return of the group. PMI pro forma for additional $0.46 per share dividend paid in April 2008 impacts the period March 28, 2008 – June 15, 2012. Exchange rates are as of March 28, 2008 and June 15, 2012. A list of the Tobacco and Company Peer Groups is available in the Glossary of Terms

Source: FactSet, compiled by Centerview

Valuation: Further Room for Improvement

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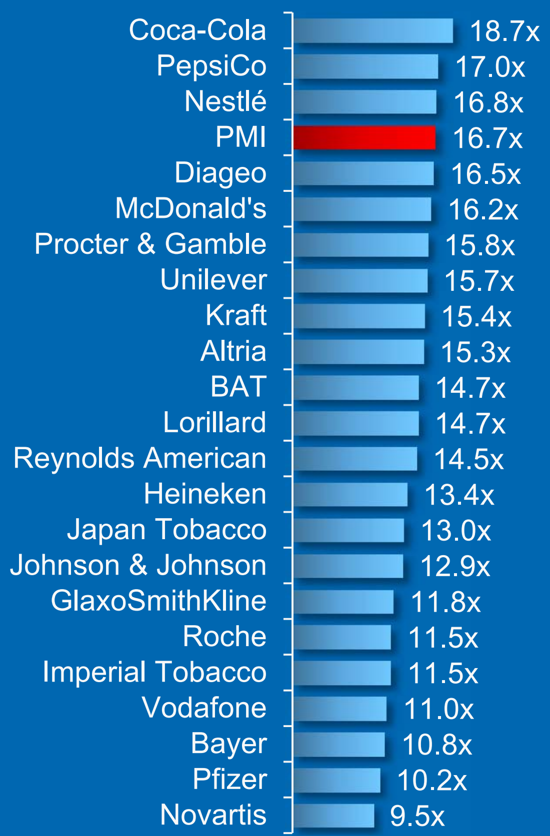
2012 P/E



Average: 13.9x

Note: Average excludes PMI

Source: FactSet as of June 15, 2012. Compiled by Centerview

Valuation: Further Room for Improvement

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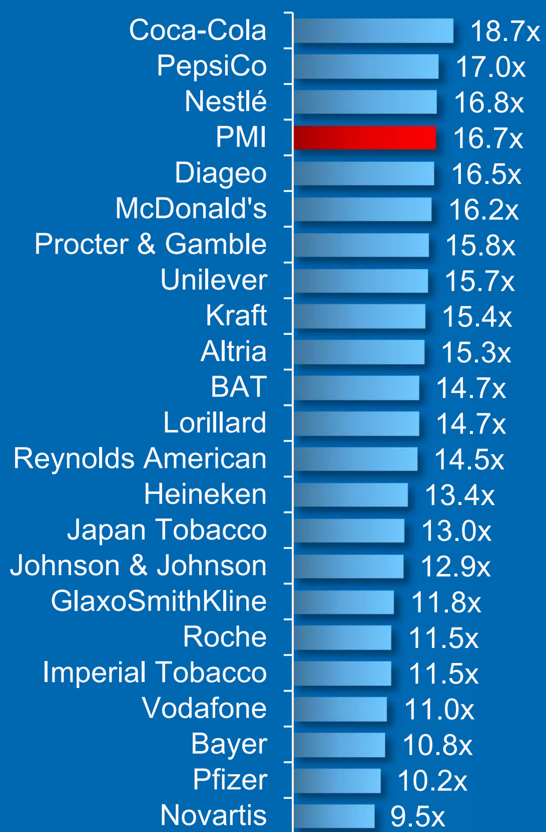
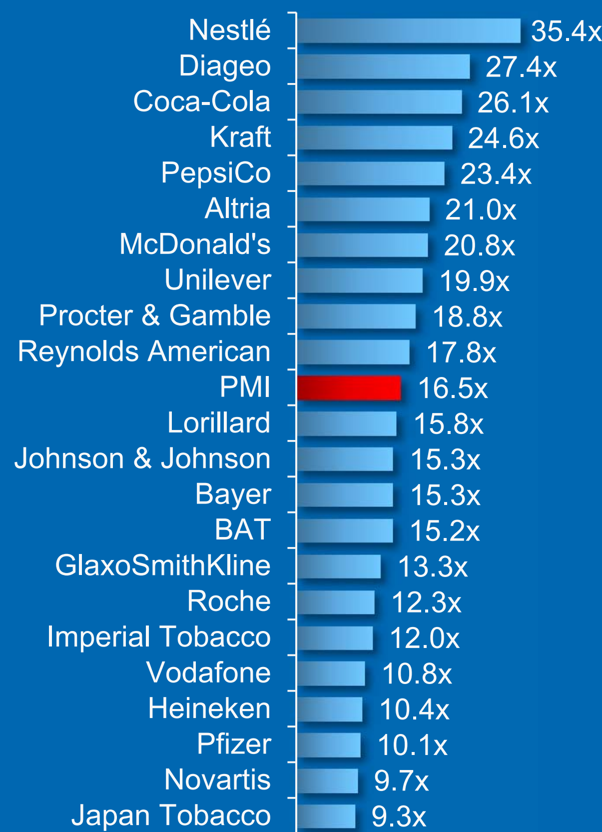
2012 P/E



Average: 13.9x

Market Cap. to Free Cash Flow[(a)] Ratio



Average: 17.5x

(a) Free cash flow figures are for the 12 month period ending March 31, 2012 or nearest comparable period
Note: Averages exclude PMI
Source: FactSet as of June 15, 2012. Compiled by Centerview

Valuation: Further Room for Improvement

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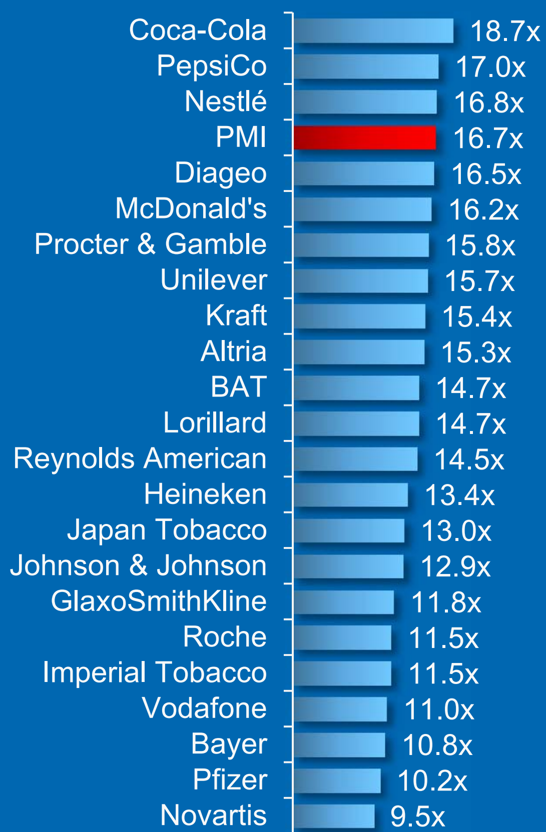
2012 P/E



Average: 13.9x

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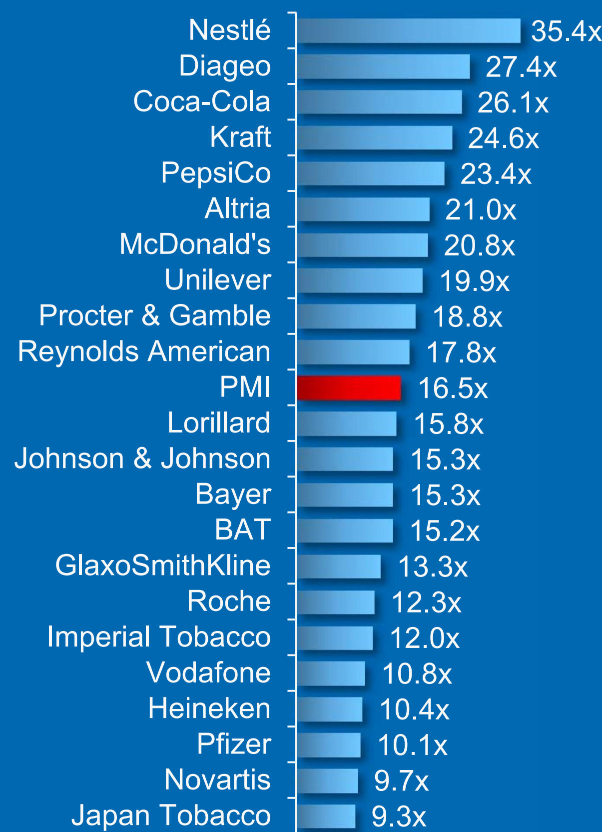
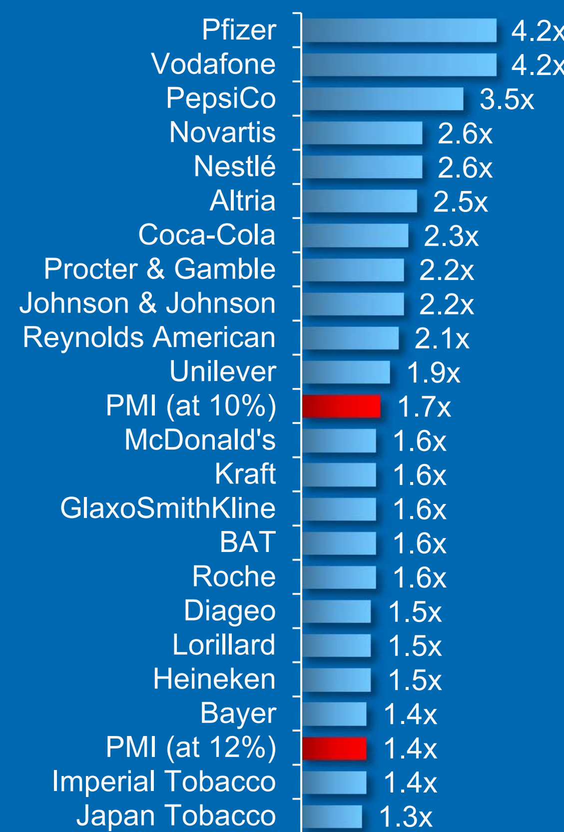


Average: 17.5x

PEG[b] (LT EPS Growth Rate)



Average: 2.1x

(a) Free cash flow figures are for the 12 month period ending March 31, 2012 or nearest comparable period
(b) Based on I/B/E/S consensus for peers. PEG ratio defined as 2012 price/earnings ratio, divided by long-term EPS growth rate, and then divided by 100
Note: Averages exclude PMI
Source: FactSet and Institutional Brokers Estimate System (I/B/E/S) as of June 15, 2012. Compiled by Centerview

Why We Believe We Are an Attractive Investment

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- Strong business fundamentals built on:
  - Superior brand portfolio, led by a re-invigorated *Marlboro*
  - Share leadership in both OECD and non-OECD markets
  - Favorable pricing and excise tax environment
  - Productivity initiatives and cost controls
  - Excellent people at all levels of the organization
- Tremendous cash flow
- Disciplined and creative approach to business development
- Focus on shareholder returns through a balanced program of dividends and share repurchases

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Questions & Answers

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Reconciliations of non-GAAP measures included in this presentation to the most comparable GAAP measures are provided on our website at: www.pmi.com/2012InvestorDay/RecSlides