



PHILIP MORRIS  
INTERNATIONAL

2014  
INVESTOR DAY

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**Investor Day**  
**Lausanne, June 26/27, 2014**

*Reconciliation of Non-GAAP Measures*

# 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)

| 2014                  |                   |  |               |   |                   |   | 2013                  |                   |  |          |                             |  | % Change in Reported Net Revenues<br>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 | Reported excluding Currency | Reported excluding Currency & Acquisitions |   |  |  |
| \$ 6,619              | \$ 4,606          | \$ 2,013                                     | \$ 51         | \$ 1,962  | \$ -              | \$ 1,962  | \$ 6,523              | \$ 4,553          | \$ 1,970                                     | 2.2%     | (0.4)%                      | (0.4)%                                     |   |  |  |
| 4,562                 | 2,553             | 2,009  | (126)         | 2,135   | -                 | 2,135   | 4,423                 | 2,380             | 2,043  | (1.7)%   | 4.5%                        | 4.5%                                       |   |  |  |
| 4,475                 | 2,293             | 2,182  | (366)         | 2,548   | -                 | 2,548   | 5,251                 | 2,461             | 2,790  | (21.8)%  | (8.7)%                      | (8.7)%                                     |   |  |  |
| 2,123                 | 1,410             | 713  | (101)         | 814   | -                 | 814   | 2,330                 | 1,549             | 781  | (8.7)%   | 4.2%                        | 4.2%                                       |   |  |  |
|                       |                   |  |               |   |                   |   |                       |                   |  |          |                             |  |   |  |  |
| \$ 17,779             | \$ 10,862         | \$ 6,917                                     | \$ (542)      | \$ 7,459  | \$ -              | \$ 7,459  | \$ 18,527             | \$ 10,943         | \$ 7,584                                     | (8.8)%   | (1.6)%                      | (1.6)%                                     |   |  |  |

| 2014                                |               |  |                   |   |                                     |                                     | 2013                                |                                     |                                     |          |                             |  | % Change in Reported Operating<br>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 Operating Companies Income | Reported Operating Companies Income | Reported Operating Companies Income | Reported | Reported excluding Currency | Reported excluding Currency & Acquisitions |  |  |  |
| \$ 978                              | \$ 28         | \$ 950   | \$ -              | \$ 950  | \$ 938                              | \$ 938                              | \$ 938                              | \$ 938                              | \$ 938                              | 4.3%     | 1.3%                        | 1.3%                                       |  |  |  |
| 927                                 | (80)          | 1,007  | -                 | 1,007   | 935                                 | 935                                 | 935                                 | 935                                 | 935                                 | (0.9)%   | 7.7%                        | 7.7%                                       |  |  |  |
| 915                                 | (215)         | 1,130  | -                 | 1,130   | 1,342                               | 1,342                               | 1,342                               | 1,342                               | 1,342                               | (31.8)%  | (15.8)%                     | (15.8)%                                    |  |  |  |
| 202                                 | (52)          | 254  | -                 | 254   | 254                                 | 254                                 | 254                                 | 254                                 | 254                                 | (20.5)%  | -                           | -  |  |  |  |
|                                     |               |  |                   |   |                                     |                                     |                                     |                                     |                                     |          |                             |  |  |  |  |
| \$ 3,022                            | \$ (319)      | \$ 3,341   | \$ -              | \$ 3,341  | \$ 3,469                            | \$ 3,469                            | \$ 3,469                            | \$ 3,469                            | \$ 3,469                            | (12.9)%  | (3.7)%                      | (3.7)%                                     |  |  |  |

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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 March 31,  
(\$ in millions)  
(Unaudited)

| 2014                                |                                    |                                     |                 |  |                   |   | 2013                                |                                    |                                     |                 |                             | % 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        | Adjusted excluding Currency | Adjusted excluding Currency & Acquisitions      |               |  |
| \$ 978                              | \$ -                               | \$ 978                              | \$ 28           | \$ 950   | \$ -              | \$ 950  | European Union                      | \$ 938                             | \$ -                                | \$ 938          | 4.3%                        | 1.3%  | 1.3%          |  |
| 927                                 | -                                  | 927                                 | (80)            | 1,007  | -                 | 1,007   | EEMA                                | 935                                | -                                   | 935             | (0.9)%                      | 7.7%  | 7.7%          |  |
| 915                                 | (23)                               | 938                                 | (215)           | 1,153  | -                 | 1,153   | Asia                                | 1,342                              | (3)                                 | 1,345           | (30.3)%                     | (14.3)%   | (14.3)%       |  |
| 202                                 | -                                  | 202                                 | (52)            | 254  | -                 | 254   | Latin America & Canada              | 254                                | -                                   | 254             | (20.5)%                     | -   | -             |  |
| <b>\$ 3,022</b>                     | <b>\$ (23)</b>                     | <b>\$ 3,045</b>                     | <b>\$ (319)</b> | <b>\$ 3,364</b>  | <b>\$ -</b>       | <b>\$ 3,364</b>   | <b>PMI Total</b>                    | <b>\$ 3,469</b>                    | <b>\$ (3)</b>                       | <b>\$ 3,472</b> | <b>(12.3)%</b>              | <b>(3.1)%</b>                                   | <b>(3.1)%</b> |  |

| 2014   |   |   |   |   |  |                                     | 2013                                |  |  |   |  | % Points Change |  |
|--|---|---|---|---|--|-------------------------------------|-------------------------------------|--|--|---|--|-----------------|--|
| Adjusted Operating Companies Income excluding Currency | Net Revenues excluding Excise Taxes & Currency <sup>(a)</sup> | Adjusted Operating Companies Income Margin excluding Currency | Adjusted Operating Companies Income excluding Currency & Acquisitions | Net Revenues excluding Excise Taxes, Currency & Acquisitions <sup>(a)</sup> | Adjusted Operating Companies Income Margin excluding Currency & Acquisitions | Adjusted Operating Companies Income | Adjusted Operating Companies Income | Net Revenues excluding Excise Taxes <sup>(a)</sup> | Adjusted Operating Companies Income Margin | Adjusted Operating Companies Income Margin excluding Currency | Adjusted Operating Companies Income Margin excluding Currency & Acquisitions |                 |  |
| \$ 950   | \$ 1,962  | 48.4%   | \$ 950  | \$ 1,962  | 48.4%  | European Union                      | \$ 938                              | \$ 1,970   | 47.6%                                      | 0.8   | 0.8  |                 |  |
| 1,007  | 2,135   | 47.2%   | 1,007   | 2,135   | 47.2%  | EEMA                                | 935                                 | 2,043  | 45.8%                                      | 1.4   | 1.4  |                 |  |
| 1,153  | 2,548   | 45.3%   | 1,153   | 2,548   | 45.3%  | Asia                                | 1,345                               | 2,790  | 48.2%                                      | (2.9)   | (2.9)  |                 |  |
| 254  | 814   | 31.2%   | 254   | 814   | 31.2%  | Latin America & Canada              | 254                                 | 781  | 32.5%                                      | (1.3)   | (1.3)  |                 |  |
| <b>\$ 3,364</b>  | <b>\$ 7,459</b>   | <b>45.1%</b>  | <b>\$ 3,364</b>   | <b>\$ 7,459</b>   | <b>45.1%</b>   | <b>PMI Total</b>                    | <b>\$ 3,472</b>                     | <b>\$ 7,584</b>                                    | <b>45.8%</b>                               | <b>(0.7)</b>  | <b>(0.7)</b>   |                 |  |

(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)

|   | <u>2014</u>    | <u>2013</u>    | <u>% Change</u> |
|---|----------------|----------------|-----------------|
| <b>Reported Diluted EPS</b>                     | \$ 1.18        | \$ 1.28        | (7.8)%          |
| Adjustments:                                    |                |                |                 |
| Asset impairment and exit costs                 | 0.01           | -              |                 |
| Tax items                                       | -              | 0.01           |                 |
| <b>Adjusted Diluted EPS</b>                     | \$ 1.19        | \$ 1.29        | (7.8)%          |
| Less:   |                |                |                 |
| Currency impact                                 | (0.16)         |                |                 |
| <b>Adjusted Diluted EPS, excluding Currency</b> | <u>\$ 1.35</u> | <u>\$ 1.29</u> | 4.7%            |

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

| 2013                  |                   |  |                 |   |                   |   |                        | 2012                  |                   |  |               |                             | % Change in Reported Net Revenues<br>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      | 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%  |  |  |
| <b>\$ 80,029</b>      | <b>\$ 48,812</b>  | <b>\$ 31,217</b>                             | <b>\$ (765)</b> | <b>\$ 31,982</b>  | <b>\$ -</b>       | <b>\$ 31,982</b>  | <b>PMI Total</b>       | <b>\$ 77,393</b>      | <b>\$ 46,016</b>  | <b>\$ 31,377</b>                             | <b>(0.5)%</b> | <b>1.9%</b>                 | <b>1.9%</b>   |  |  |

| 2013                                |  |                 |  |                   |   |                        |  | 2012                                |  |                                     |               |                             | % Change in Reported Operating<br>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      | 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%  |  |  |
| <b>\$ 13,773</b>                    |  | <b>\$ (642)</b> | <b>\$ 14,415</b>                                       | <b>\$ -</b>       | <b>\$ 14,415</b>  | <b>PMI Total</b>       |  | <b>\$ 14,153</b>                    |  |                                     | <b>(2.7)%</b> | <b>1.9%</b>                 | <b>1.9%</b>  |  |  |

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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 Acquisitions | Adjusted Operating Companies Income excluding Currency & Acquisitions | Reported Operating Companies Income | Less Asset Impairment & Exit Costs | Adjusted Operating Companies Income | Adjusted | Adjusted excluding Currency | Adjusted excluding Currency & Acquisitions |   |  |  |
| \$ 4,238                            | \$ (13)                            | \$ 4,251                            | \$ 92         | \$ 4,159   | \$ -              | \$ 4,159  | \$ 4,187                            | \$ (5)                             | \$ 4,192                            | 1.4%     | (0.8)%                      | (0.8)%                                     |   |  |  |
| 3,779                               | (264)                              | 4,043                               | (122)         | 4,165  | -                 | 4,165   | 3,726                               | (5)                                | 3,731                               | 8.4%     | 11.6%                       | 11.6%                                      |   |  |  |
| 4,622                               | (27)                               | 4,649                               | (548)         | 5,197  | -                 | 5,197   | 5,197                               | (39)                               | 5,236                               | (11.2)%  | (0.7)%                      | (0.7)%                                     |   |  |  |
| 1,134                               | (5)                                | 1,139                               | (64)          | 1,203  | -                 | 1,203   | 1,043                               | (34)                               | 1,077                               | 5.8%     | 11.7%                       | 11.7%                                      |   |  |  |
| \$ 13,773                           | \$ (309)                           | \$ 14,082                           | \$ (642)      | \$ 14,724  | \$ -              | \$ 14,724   | \$ 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 <sup>(a)</sup> | Adjusted Operating Companies Income Margin excluding Currency | Adjusted Operating Companies Income excluding Currency & Acquisitions | Net Revenues excluding Excise Taxes, Currency & Acquisitions <sup>(a)</sup> | Adjusted Operating Companies Income Margin excluding Currency & Acquisitions | Adjusted Operating Companies Income | Adjusted Operating Companies Income | Net Revenues excluding Excise Taxes <sup>(a)</sup> | Adjusted Operating Companies Income Margin | Adjusted Operating Companies Income Margin excluding Currency | Adjusted Operating Companies Income Margin excluding Currency & Acquisitions |  |                 |  |
| \$ 4,159   | \$ 8,391  | 49.6%   | \$ 4,159  | \$ 8,391  | 49.6%  | \$ 4,192                            | \$ 8,526                            | 49.2%  | 0.4  | 0.4   |  |  |                 |  |
| 4,165  | 8,864   | 47.0%   | 4,165   | 8,864   | 47.0%  | 3,731                               | 8,332                               | 44.8%  | 2.2  | 2.2   |  |  |                 |  |
| 5,197  | 11,227  | 46.3%   | 5,197   | 11,227  | 46.3%  | 5,236                               | 11,198                              | 46.8%  | (0.5)                                      | (0.5)   |  |  |                 |  |
| 1,203  | 3,500   | 34.4%   | 1,203   | 3,500   | 34.4%  | 1,077                               | 3,321                               | 32.4%  | 2.0  | 2.0   |  |  |                 |  |
| \$ 14,724  | \$ 31,982   | 46.0%   | \$ 14,724   | \$ 31,982   | 46.0%  | \$ 14,236                           | \$ 31,377                           | 45.4%  | 0.6  | 0.6   |  |  |                 |  |

(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)

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

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

| 2012                  |                   |  |                   |   |                   |   | 2011                  |                   |  |             |                             |  | % Change in Reported Net Revenues<br>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    | Reported excluding Currency | Reported excluding Currency & Acquisitions |   |  |  |
| \$ 27,338             | \$ 18,812         | \$ 8,526                                     | \$ (716)          | \$ 9,242  | \$ -              | \$ 9,242  | \$ 29,768             | \$ 20,556         | \$ 9,212                                     | (7.4)%      | 0.3%                        | 0.3%                                       |   |  |  |
| 19,272                | 10,940            | 8,332  | (467)             | 8,799   | 27                | 8,772   | 17,452                | 9,571             | 7,881  | 5.7%        | 11.6%                       | 11.3%                                      |   |  |  |
| 21,071                | 9,873             | 11,198                                       | (116)             | 11,314  | 1                 | 11,313  | 19,590                | 8,885             | 10,705                                       | 4.6%        | 5.7%                        | 5.7%                                       |   |  |  |
| 9,712                 | 6,391             | 3,321  | (196)             | 3,517   | -                 | 3,517   | 9,536                 | 6,237             | 3,299  | 0.7%        | 6.6%                        | 6.6%                                       |   |  |  |
| <b>\$ 77,393</b>      | <b>\$ 46,016</b>  | <b>\$ 31,377</b>                             | <b>\$ (1,495)</b> | <b>\$ 32,872</b>  | <b>\$ 28</b>      | <b>\$ 32,844</b>  | <b>\$ 76,346</b>      | <b>\$ 45,249</b>  | <b>\$ 31,097</b>                             | <b>0.9%</b> | <b>5.7%</b>                 | <b>5.6%</b>                                |   |  |  |

| 2012                                |                 |  |                   |   |                                     |                                     | 2011                                |                                     |                                     |             |                             |  | % Change in Reported Operating<br>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 Operating Companies Income | Reported Operating Companies Income | Reported Operating Companies Income | Reported    | Reported excluding Currency | Reported excluding Currency & Acquisitions |  |  |  |
| \$ 4,187                            | \$ (384)        | \$ 4,571   | \$ -              | \$ 4,571  | \$ 4,560                            | \$ 4,560                            | \$ 4,560                            | \$ 4,560                            | \$ 4,560                            | (8.2)%      | 0.2%                        | 0.2%                                       |  |  |  |
| 3,726                               | (199)           | 3,925  | 4                 | 3,921   | 3,229                               | 3,229                               | 3,229                               | 3,229                               | 3,229                               | 15.4%       | 21.6%                       | 21.4%                                      |  |  |  |
| 5,197                               | 39              | 5,158  | -                 | 5,158   | 4,836                               | 4,836                               | 4,836                               | 4,836                               | 4,836                               | 7.5%        | 6.7%                        | 6.7%                                       |  |  |  |
| 1,043                               | (63)            | 1,106  | -                 | 1,106   | 988                                 | 988                                 | 988                                 | 988                                 | 988                                 | 5.6%        | 11.9%                       | 11.9%                                      |  |  |  |
| <b>\$ 14,153</b>                    | <b>\$ (607)</b> | <b>\$ 14,760</b>                                       | <b>\$ 4</b>       | <b>\$ 14,756</b>  | <b>\$ 13,613</b>                    | <b>\$ 13,613</b>                    | <b>\$ 13,613</b>                    | <b>\$ 13,613</b>                    | <b>\$ 13,613</b>                    | <b>4.0%</b> | <b>8.4%</b>                 | <b>8.4%</b>                                |  |  |  |



# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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)

| 2012                                |                                    |                                     |                 |  |                   |   | 2011                                |                                    |                                     |             |                             |  |  | % 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    | Adjusted excluding Currency | Adjusted excluding Currency & Acquisitions |  |   |  |  |
| \$ 4,187                            | \$ (5)                             | \$ 4,192                            | \$ (384)        | \$ 4,576   | \$ -              | \$ 4,576  | \$ 4,560                            | \$ (45)                            | \$ 4,605                            | (9.0)%      | (0.6)%                      | (0.6)%                                     |  |   |  |  |
| 3,726                               | (5)                                | 3,731                               | (199)           | 3,930  | 4                 | 3,926   | 3,229                               | (25)                               | 3,254                               | 14.7%       | 20.8%                       | 20.7%                                      |  |   |  |  |
| 5,197                               | (39)                               | 5,236                               | 39              | 5,197  | -                 | 5,197   | 4,836                               | (15)                               | 4,851                               | 7.9%        | 7.1%                        | 7.1%                                       |  |   |  |  |
| 1,043                               | (34)                               | 1,077                               | (63)            | 1,140  | -                 | 1,140   | 988                                 | (24)                               | 1,012                               | 6.4%        | 12.6%                       | 12.6%                                      |  |   |  |  |
| <b>\$ 14,153</b>                    | <b>\$ (83)</b>                     | <b>\$ 14,236</b>                    | <b>\$ (607)</b> | <b>\$ 14,843</b>                                       | <b>\$ 4</b>       | <b>\$ 14,839</b>  | <b>\$ 13,613</b>                    | <b>\$ (109)</b>                    | <b>\$ 13,722</b>                    | <b>3.7%</b> | <b>8.2%</b>                 | <b>8.1%</b>                                |  |   |  |  |

| 2012   |   |   |   |   |  |                                     | 2011                                |  |  |   |  |  |  | % Points Change |  |
|--|---|---|---|---|--|-------------------------------------|-------------------------------------|--|--|---|--|--|--|-----------------|--|
| Adjusted Operating Companies Income excluding Currency | Net Revenues excluding Excise Taxes & Currency <sup>(a)</sup> | Adjusted Operating Companies Income Margin excluding Currency | Adjusted Operating Companies Income excluding Currency & Acquisitions | Net Revenues excluding Excise Taxes, Currency & Acquisitions <sup>(a)</sup> | Adjusted Operating Companies Income Margin excluding Currency & Acquisitions | Adjusted Operating Companies Income | Adjusted Operating Companies Income | Net Revenues excluding Excise Taxes <sup>(a)</sup> | Adjusted Operating Companies Income Margin | Adjusted Operating Companies Income Margin excluding Currency | Adjusted Operating Companies Income Margin excluding Currency & Acquisitions |  |  |                 |  |
| \$ 4,576   | \$ 9,242  | 49.5%   | \$ 4,576  | \$ 9,242  | 49.5%  | \$ 4,605                            | \$ 9,212                            | 50.0%  | 50.0%                                      | (0.5)   | (0.5)  |  |  |                 |  |
| 3,930  | 8,799   | 44.7%   | 3,926   | 8,772   | 44.8%  | 3,254                               | 7,881                               | 41.3%  | 41.3%                                      | 3.4   | 3.5  |  |  |                 |  |
| 5,197  | 11,314  | 45.9%   | 5,197   | 11,313  | 45.9%  | 4,851                               | 10,705                              | 45.3%  | 45.3%                                      | 0.6   | 0.6  |  |  |                 |  |
| 1,140  | 3,517   | 32.4%   | 1,140   | 3,517   | 32.4%  | 1,012                               | 3,299                               | 30.7%  | 30.7%                                      | 1.7   | 1.7  |  |  |                 |  |
| <b>\$ 14,843</b>                                       | <b>\$ 32,872</b>  | <b>45.2%</b>  | <b>\$ 14,839</b>  | <b>\$ 32,844</b>  | <b>45.2%</b>   | <b>\$ 13,722</b>                    | <b>\$ 31,097</b>                    | <b>44.1%</b>                                       | <b>44.1%</b>                               | <b>1.1</b>  | <b>1.1</b>   |  |  |                 |  |

(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)

|   | <u>2012</u>    | <u>2011</u>    | <u>% Change</u> |
|---|----------------|----------------|-----------------|
| <b>Reported Diluted EPS</b>                     | \$ 5.17        | \$ 4.85        | 6.6%            |
| Adjustments:                                    |                |                |                 |
| Asset impairment and exit costs                 | 0.03           | 0.05           |                 |
| Tax items                                       | 0.02           | (0.02)         |                 |
| <b>Adjusted Diluted EPS</b>                     | \$ 5.22        | \$ 4.88        | 7.0%            |
| Less:   |                |                |                 |
| Currency impact                                 | (0.23)         |                |                 |
| <b>Adjusted Diluted EPS, excluding Currency</b> | <u>\$ 5.45</u> | <u>\$ 4.88</u> | 11.7%           |

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

| 2011                  |                   |  |                 |   |                    |   |                        | 2010                  |                   |  | % Change in Reported Net Revenues<br>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  | Reported excluding Currency | Reported excluding Currency & Acquisitions |
| \$ 29,768             | \$ 20,556         | \$ 9,212                                     | \$ 440          | \$ 8,772  | \$ -               | \$ 8,772  | European Union         | \$ 28,050             | \$ 19,239         | \$ 8,811                                     | 4.6%  | (0.4)%                      | (0.4)%                                     |
| 17,452                | 9,571             | 7,881  | 49              | 7,832   | 25                 | 7,807   | EEMA                   | 15,928                | 8,519             | 7,409  | 6.4%  | 5.7%                        | 5.4%                                       |
| 19,590                | 8,885             | 10,705                                       | 690             | 10,015  | 112 <sup>(a)</sup> | 9,903   | Asia                   | 15,235                | 7,300             | 7,935  | 34.9%   | 26.2%                       | 24.8%                                      |
| 9,536                 | 6,237             | 3,299  | 70              | 3,229   | -                  | 3,229   | Latin America & Canada | 8,500                 | 5,447             | 3,053  | 8.1%  | 5.8%                        | 5.8%                                       |
| <b>\$ 76,346</b>      | <b>\$ 45,249</b>  | <b>\$ 31,097</b>                             | <b>\$ 1,249</b> | <b>\$ 29,848</b>  | <b>\$ 137</b>      | <b>\$ 29,711</b>  | <b>PMI Total</b>       | <b>\$ 67,713</b>      | <b>\$ 40,505</b>  | <b>\$ 27,208</b>                             | <b>14.3%</b>  | <b>9.7%</b>                 | <b>9.2%</b>                                |

| 2011                                |  |               |  |                   |   |                        |  | 2010                                |  |                                     | % Change in Reported Operating<br>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   | Reported excluding Currency | Reported excluding Currency & Acquisitions |
| \$ 4,560                            |  | \$ 277        | \$ 4,283   | \$ (1)            | \$ 4,284  | European Union         |  | \$ 4,311                            |  |                                     | 5.8%   | (0.6)%                      | (0.6)%                                     |
| 3,229                               |  | (97)          | 3,326  | (13)              | 3,339   | EEMA                   |  | 3,152                               |  |                                     | 2.4%   | 5.5%                        | 5.9%                                       |
| 4,836                               |  | 400           | 4,436  | 28 <sup>(b)</sup> | 4,408   | Asia                   |  | 3,049                               |  |                                     | 58.6%  | 45.5%                       | 44.6%                                      |
| 988                                 |  | (2)           | 990  | -                 | 990   | Latin America & Canada |  | 953                                 |  |                                     | 3.7%   | 3.9%                        | 3.9%                                       |
| <b>\$ 13,613</b>                    |  | <b>\$ 578</b> | <b>\$ 13,035</b>                                       | <b>\$ 14</b>      | <b>\$ 13,021</b>  | <b>PMI Total</b>       |  | <b>\$ 11,465</b>                    |  |                                     | <b>18.7%</b>                                       | <b>13.7%</b>                | <b>13.6%</b>                               |

(a) Includes the business combination in the Philippines (\$ 105)

(b) Includes the business combination in the Philippines (\$ 23)

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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)

| 2011                                |                                    |                                     |               |  |                   |   | 2010                                |                                    |                                     | % 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  | Adjusted excluding Currency | Adjusted excluding Currency & Acquisitions |
| \$ 4,560                            | \$ (45)                            | \$ 4,605                            | \$ 277        | \$ 4,328   | \$ (1)            | \$ 4,329  | \$ 4,311                            | \$ (27)                            | \$ 4,338                            | 6.2%  | (0.2)%                      | (0.2)%                                     |
| 3,229                               | (25)                               | 3,254                               | (97)          | 3,351  | (1)               | 3,352   | 3,152                               | -                                  | 3,152                               | 3.2%  | 6.3%                        | 6.3%                                       |
| 4,836                               | (15)                               | 4,851                               | 400           | 4,451  | 28 <sup>(a)</sup> | 4,423   | 3,049                               | (20)                               | 3,069                               | 58.1%   | 45.0%                       | 44.1%                                      |
| 988                                 | (24)                               | 1,012                               | (2)           | 1,014  | -                 | 1,014   | 953                                 | -                                  | 953                                 | 6.2%  | 6.4%                        | 6.4%                                       |
| \$ 13,613                           | \$ (109)                           | \$ 13,722                           | \$ 578        | \$ 13,144  | \$ 26             | \$ 13,118   | \$ 11,465                           | \$ (47)                            | \$ 11,512                           | 19.2%   | 14.2%                       | 14.0%                                      |

| 2011   |   |   |   |   |  |                                     | 2010   |  |   | % Points Change  |  |
|--|---|---|---|---|--|-------------------------------------|--|--|---|--|--|
| Adjusted Operating Companies Income excluding Currency | Net Revenues excluding Excise Taxes & Currency <sup>(b)</sup> | Adjusted Operating Companies Income Margin excluding Currency | Adjusted Operating Companies Income excluding Currency & Acquisitions | Net Revenues excluding Excise Taxes, Currency & Acquisitions <sup>(b)</sup> | Adjusted Operating Companies Income Margin excluding Currency & Acquisitions | Adjusted Operating Companies Income | Net Revenues excluding Excise Taxes <sup>(b)</sup> | Adjusted Operating Companies Income Margin | Adjusted Operating Companies Income Margin excluding Currency | Adjusted Operating Companies Income Margin excluding Currency & Acquisitions |  |
| \$ 4,328   | \$ 8,772  | 49.3%   | \$ 4,329  | \$ 8,772  | 49.4%  | \$ 4,338                            | \$ 8,811   | 49.2%                                      | 0.1   | 0.2  |  |
| 3,351  | 7,832   | 42.8%   | 3,352   | 7,807   | 42.9%  | 3,152                               | 7,409  | 42.5%                                      | 0.3   | 0.4  |  |
| 4,451  | 10,015  | 44.4%   | 4,423   | 9,903   | 44.7%  | 3,069                               | 7,935  | 38.7%                                      | 5.7   | 6.0  |  |
| 1,014  | 3,229   | 31.4%   | 1,014   | 3,229   | 31.4%  | 953                                 | 3,053  | 31.2%                                      | 0.2   | 0.2  |  |
| \$ 13,144  | \$ 29,848   | 44.0%   | \$ 13,118   | \$ 29,711   | 44.2%  | \$ 11,512                           | \$ 27,208  | 42.3%                                      | 1.7   | 1.9  |  |

(a) Includes the business combination in the Philippines (\$ 23)

(b) 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)

|   | <u>2011</u>    | <u>2010</u>    | <u>% Change</u> |
|---|----------------|----------------|-----------------|
| <b>Reported Diluted EPS</b>                     | \$ 4.85        | \$ 3.92        | 23.7%           |
| Adjustments:                                    |                |                |                 |
| Asset impairment and exit costs                 | 0.05           | 0.02           |                 |
| Tax items                                       | (0.02)         | (0.07)         |                 |
| <b>Adjusted Diluted EPS</b>                     | \$ 4.88        | \$ 3.87        | 26.1%           |
| Less:   |                |                |                 |
| Currency impact                                 | 0.19           |                |                 |
| <b>Adjusted Diluted EPS, excluding Currency</b> | <u>\$ 4.69</u> | <u>\$ 3.87</u> | 21.2%           |

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

| 2010                  |                   |  |               |   |                    |   |                        | 2009                  |                   |  |             | % Change in Reported Net Revenues<br>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    | Reported excluding Currency                                 | Reported excluding Currency & Acquisitions |  |
| \$ 28,050             | \$ 19,239         | \$ 8,811                                     | \$ (172)      | \$ 8,983  | \$ 3               | \$ 8,980  | European Union         | \$ 28,550             | \$ 19,509         | \$ 9,041                                     | (2.5)%      | (0.6)%  | (0.7)%                                     |  |
| 15,928                | 8,519             | 7,409  | 76            | 7,333   | 80                 | 7,253   | EEMA                   | 13,865                | 7,070             | 6,795  | 9.0%        | 7.9%  | 6.7%                                       |  |
| 15,235                | 7,300             | 7,935  | 611           | 7,324   | 548 <sup>(a)</sup> | 6,776   | Asia                   | 12,413                | 5,885             | 6,528  | 21.6%       | 12.2%   | 3.8%                                       |  |
| 8,500                 | 5,447             | 3,053  | 179           | 2,874   | -                  | 2,874   | Latin America & Canada | 7,252                 | 4,581             | 2,671  | 14.3%       | 7.6%  | 7.6%                                       |  |
| <b>\$ 67,713</b>      | <b>\$ 40,505</b>  | <b>\$ 27,208</b>                             | <b>\$ 694</b> | <b>\$ 26,514</b>  | <b>\$ 631</b>      | <b>\$ 25,883</b>  | <b>PMI Total</b>       | <b>\$ 62,080</b>      | <b>\$ 37,045</b>  | <b>\$ 25,035</b>                             | <b>8.7%</b> | <b>5.9%</b>   | <b>3.4%</b>                                |  |

| 2010                                |  |               |  |                   |   |                        |  | 2009                                |  |                                     |              | % Change in Reported Operating<br>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     | Reported excluding Currency                        | Reported excluding Currency & Acquisitions |  |
| \$ 4,311                            |  | \$ (191)      | \$ 4,502   | \$ 2              | \$ 4,500  | European Union         |  | \$ 4,506                            |  |                                     | (4.3)%       | (0.1)%   | (0.1)%                                     |  |
| 3,152                               |  | 107           | 3,045  | 28                | 3,017   | EEMA                   |  | 2,663                               |  |                                     | 18.4%        | 14.3%  | 13.3%                                      |  |
| 3,049                               |  | 342           | 2,707  | 84 <sup>(b)</sup> | 2,623   | Asia                   |  | 2,436                               |  |                                     | 25.2%        | 11.1%  | 7.7%                                       |  |
| 953                                 |  | 85            | 868  | (3)               | 871   | Latin America & Canada |  | 666                                 |  |                                     | 43.1%        | 30.3%  | 30.8%                                      |  |
| <b>\$ 11,465</b>                    |  | <b>\$ 343</b> | <b>\$ 11,122</b>                                       | <b>\$ 111</b>     | <b>\$ 11,011</b>  | <b>PMI Total</b>       |  | <b>\$ 10,271</b>                    |  |                                     | <b>11.6%</b> | <b>8.3%</b>  | <b>7.2%</b>                                |  |

(a) Includes the business combination in the Philippines

(b) Includes the business combination in the Philippines, including \$20 million of asset impairment and exit costs due to a contract termination

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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)

| 2010                                |                                    |                                     |               |  |                    |   | 2009                                |   |                                     |              |                             | % 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 & Other | Adjusted Operating Companies Income | Adjusted     | Adjusted excluding Currency | Adjusted excluding Currency & Acquisitions      |  |  |
| \$ 4,311                            | \$ (27)                            | \$ 4,338                            | \$ (191)      | \$ 4,529   | \$ 2               | \$ 4,527  | \$ 4,506                            | \$ (29)                                   | \$ 4,535                            | (4.3)%       | (0.1)%                      | (0.2)%  |  |  |
| 3,152                               | -                                  | 3,152                               | 107           | 3,045  | 28                 | 3,017   | 2,663                               | -   | 2,663                               | 18.4%        | 14.3%                       | 13.3%   |  |  |
| 3,049                               | (20)                               | 3,069                               | 342           | 2,727  | 104 <sup>(a)</sup> | 2,623   | 2,436                               | -   | 2,436                               | 26.0%        | 11.9%                       | 7.7%  |  |  |
| 953                                 | -                                  | 953                                 | 85            | 868  | (3)                | 871   | 666                                 | (135) <sup>(b)</sup>                      | 801                                 | 19.0%        | 8.4%                        | 8.7%  |  |  |
| <b>\$ 11,465</b>                    | <b>\$ (47)</b>                     | <b>\$ 11,512</b>                    | <b>\$ 343</b> | <b>\$ 11,169</b>                                       | <b>\$ 131</b>      | <b>\$ 11,038</b>  | <b>\$ 10,271</b>                    | <b>\$ (164)</b>                           | <b>\$ 10,435</b>                    | <b>10.3%</b> | <b>7.0%</b>                 | <b>5.8%</b>                                     |  |  |

| 2010   |   |   |   |   |  |                                     | 2009                                |  |  |   |  | % Points Change |  |  |
|--|---|---|---|---|--|-------------------------------------|-------------------------------------|--|--|---|--|-----------------|--|--|
| Adjusted Operating Companies Income excluding Currency | Net Revenues excluding Excise Taxes & Currency <sup>(c)</sup> | Adjusted Operating Companies Income Margin excluding Currency | Adjusted Operating Companies Income excluding Currency & Acquisitions | Net Revenues excluding Excise Taxes, Currency & Acquisitions <sup>(c)</sup> | Adjusted Operating Companies Income Margin excluding Currency & Acquisitions | Adjusted Operating Companies Income | Adjusted Operating Companies Income | Net Revenues excluding Excise Taxes <sup>(c)</sup> | Adjusted Operating Companies Income Margin | Adjusted Operating Companies Income Margin excluding Currency | Adjusted Operating Companies Income Margin excluding Currency & Acquisitions |                 |  |  |
| \$ 4,529   | \$ 8,983  | 50.4%   | \$ 4,527  | \$ 8,980  | 50.4%  | \$ 4,535                            | \$ 9,041                            | 50.2%  | 50.2%                                      | 0.2   | 0.2  |                 |  |  |
| 3,045  | 7,333   | 41.5%   | 3,017   | 7,253   | 41.6%  | 2,663                               | 6,795                               | 39.2%  | 39.2%                                      | 2.3   | 2.4  |                 |  |  |
| 2,727  | 7,324   | 37.2%   | 2,623   | 6,776   | 38.7%  | 2,436                               | 6,528                               | 37.3%  | 37.3%                                      | (0.1)   | 1.4  |                 |  |  |
| 868  | 2,874   | 30.2%   | 871   | 2,874   | 30.3%  | 801                                 | 2,671                               | 30.0%  | 30.0%                                      | 0.2   | 0.3  |                 |  |  |
| <b>\$ 11,169</b>                                       | <b>\$ 26,514</b>  | <b>42.1%</b>  | <b>\$ 11,038</b>  | <b>\$ 25,883</b>  | <b>42.6%</b>   | <b>\$ 10,435</b>                    | <b>\$ 25,035</b>                    | <b>41.7%</b>                                       | <b>41.7%</b>                               | <b>0.4</b>  | <b>0.9</b>   |                 |  |  |

(a) Includes the business combination in the Philippines

(b) Represents the 2009 Colombian investment and cooperation agreement charge

(c) 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)

|   | <u>2010</u>    | <u>2009</u>    | <u>% Change</u> |
|---|----------------|----------------|-----------------|
| <b>Reported Diluted EPS</b>                           | <b>\$ 3.92</b> | <b>\$ 3.24</b> | <b>21.0%</b>    |
| Adjustments:  |                |                |                 |
| Colombian investment and cooperation agreement charge | -              | 0.04           |                 |
| Asset impairment and exit costs                       | 0.02           | 0.01           |                 |
| Tax items   | (0.07)         | -              |                 |
| <b>Adjusted Diluted EPS</b>                           | <b>\$ 3.87</b> | <b>\$ 3.29</b> | <b>17.6%</b>    |
| Less:   |                |                |                 |
| Currency impact                                       | 0.12           |                |                 |
| <b>Adjusted Diluted EPS, excluding Currency</b>       | <b>\$ 3.75</b> | <b>\$ 3.29</b> | <b>14.0%</b>    |



# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

| 2009                  |                   |  |               |   |                   |   | 2008                   |                   |  |           |                             |  |      | % Change in Reported Net Revenues<br>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  | Reported excluding Currency | Reported excluding Currency & Acquisitions |      |   |  |  |
| \$ 28,550             | \$ 19,509         | \$ 9,041                                     | \$ (856)      | \$ 9,897  | \$ 61             | \$ 9,836  | \$ 30,265              | \$ 20,577         | \$ 9,688                                     | (6.7)%    | 2.2%                        | 1.5%                                       |      |   |  |  |
| 13,865                | 7,070             | 6,795  | (1,373)       | 8,168   | 41                | 8,127   | European Union         | 7,313             | 7,504  | (9.4)%    | 8.8%                        | 8.3%                                       |      |   |  |  |
| 12,413                | 5,885             | 6,528  | (41)          | 6,569   | -                 | 6,569   | EEMA                   | 6,037             | 6,185  | 5.5%      | 6.2%                        | 6.2%                                       |      |   |  |  |
| 7,252                 | 4,581             | 2,671  | (328)         | 2,999   | 462               | 2,537   | Asia                   | 4,008             | 2,328  | 14.7%     | 28.8%                       | 9.0%                                       |      |   |  |  |
|                       |                   |  |               |   |                   |   | Latin America & Canada |                   |  |           |                             |  |      |   |  |  |
|                       |                   |  |               |   |                   |   | PMI Total              |                   |  |           |                             |  |      |   |  |  |
| \$ 62,080             | \$ 37,045         | \$ 25,035                                    | \$ (2,598)    | \$ 27,633   | \$ 564            | \$ 27,069   |                        | \$ 63,640         | \$ 37,935                                    | \$ 25,705 | (2.6)%                      | 7.5%                                       | 5.3% |   |  |  |

| 2009                                |               |  |                   |   |                                     |                                     | 2008                                |                                     |          |                             |  |  |  | % Change in Reported Operating<br>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 Operating Companies Income | Reported Operating Companies Income | Reported | Reported excluding Currency | Reported excluding Currency & Acquisitions |  |  |  |  |  |
| \$ 4,506                            | \$ (481)      | \$ 4,987   | \$ 40             | \$ 4,947  | \$ 4,738                            | \$ 4,738                            | \$ 4,738                            | (4.9)%                              | 5.3%     | 4.4%                        |  |  |  |  |  |  |
| 2,663                               | (893)         | 3,556  | 18                | 3,538   | 3,119                               | 3,119                               | European Union                      | (14.6)%                             | 14.0%    | 13.4%                       |  |  |  |  |  |  |
| 2,436                               | 146           | 2,290  | -                 | 2,290   | 2,057                               | 2,057                               | EEMA                                | 18.4%                               | 11.3%    | 11.3%                       |  |  |  |  |  |  |
| 666                                 | (162)         | 828  | 202               | 626   | 520                                 | 520                                 | Asia                                | 28.1%                               | 59.2%    | 20.4%                       |  |  |  |  |  |  |
|                                     |               |  |                   |   |                                     |                                     | Latin America & Canada              |                                     |          |                             |  |  |  |  |  |  |
|                                     |               |  |                   |   |                                     |                                     | PMI Total                           |                                     |          |                             |  |  |  |  |  |  |
| \$ 10,271                           | \$ (1,390)    | \$ 11,661  | \$ 260            | \$ 11,401   | \$ 10,434                           | \$ 10,434                           |                                     | (1.6)%                              | 11.8%    | 9.3%                        |  |  |  |  |  |  |

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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)

| 2009                                |   |                                     |                   |  |                   |   | 2008                                |   |                                     | % Change in Adjusted Operating Companies Income |                             |  |
|-------------------------------------|---|-------------------------------------|-------------------|--|-------------------|---|-------------------------------------|---|-------------------------------------|---|-----------------------------|--|
| Reported Operating Companies Income | Less Asset Impairment, Exit Costs & Other | 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 & Other | Adjusted Operating Companies Income | Adjusted  | Adjusted excluding Currency | Adjusted excluding Currency & Acquisitions |
| \$ 4,506                            | \$ (29)                                   | \$ 4,535                            | \$ (481)          | \$ 5,016   | \$ 40             | \$ 4,976  | European Union                      | \$ (66)                                   | \$ 4,804                            | (5.6)%  | 4.4%                        | 3.6%                                       |
| 2,663                               | -   | 2,663                               | (893)             | 3,556  | 18                | 3,538   | EEMA                                | (1)                                       | 3,120                               | (14.6)%   | 14.0%                       | 13.4%                                      |
| 2,436                               | -   | 2,436                               | 146               | 2,290  | -                 | 2,290   | Asia                                | (14)                                      | 2,071                               | 17.6%   | 10.6%                       | 10.6%                                      |
| 666                                 | (135) <sup>(a)</sup>                      | 801                                 | (162)             | 963  | 202               | 761   | Latin America & Canada              | (127) <sup>(b)</sup>                      | 647                                 | 23.8%   | 48.8%                       | 17.6%                                      |
| <b>\$ 10,271</b>                    | <b>\$ (164)</b>                           | <b>\$ 10,435</b>                    | <b>\$ (1,390)</b> | <b>\$ 11,825</b>                                       | <b>\$ 260</b>     | <b>\$ 11,565</b>  | <b>PMI Total</b>                    | <b>\$ (208)</b>                           | <b>\$ 10,642</b>                    | <b>(1.9)%</b>                                   | <b>11.1%</b>                | <b>8.7%</b>                                |

| 2009   |   |   |                        | 2008                                |  |  | % Points Change   |  |
|--|---|---|------------------------|-------------------------------------|--|--|---|--|
| Adjusted Operating Companies Income excluding Currency | Net Revenues excluding Excise Taxes & Currency <sup>(c)</sup> | Adjusted Operating Companies Income Margin excluding Currency |                        | Adjusted Operating Companies Income | Net Revenues excluding Excise Taxes <sup>(c)</sup> | Adjusted Operating Companies Income Margin | Adjusted Operating Companies Income Margin excluding Currency |  |
| \$ 5,016   | \$ 9,897  | 50.7%   | European Union         | \$ 4,804                            | \$ 9,688   | 49.6%                                      | 1.1   |  |
| 3,556  | 8,168   | 43.5%   | EEMA                   | 3,120                               | 7,504  | 41.6%                                      | 1.9   |  |
| 2,290  | 6,569   | 34.9%   | Asia                   | 2,071                               | 6,185  | 33.5%                                      | 1.4   |  |
| 963  | 2,999   | 32.1%   | Latin America & Canada | 647                                 | 2,328  | 27.8%                                      | 4.3   |  |
| <b>\$ 11,825</b>                                       | <b>\$ 27,633</b>  | <b>42.8%</b>  | <b>PMI Total</b>       | <b>\$ 10,642</b>                    | <b>\$ 25,705</b>                                   | <b>41.4%</b>                               | <b>1.4</b>  |  |

(a) Represents the 2009 Colombian investment and cooperation agreement charge

(b) Represents the 2008 equity loss from RBH legal settlement (\$124 million) and asset impairment and exit costs (\$3 million)

(c) 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)

|   | <u>2009</u>    | <u>2008</u>    | <u>% Change</u> |
|---|----------------|----------------|-----------------|
| <b>Reported Diluted EPS</b>                           | <b>\$ 3.24</b> | <b>\$ 3.31</b> | <b>(2.1)%</b>   |
| Less:   |                |                |                 |
| Colombian investment and cooperation agreement charge | (0.04)         | -              |                 |
| Asset impairment and exit costs                       | (0.01)         | (0.02)         |                 |
| Equity loss from RBH legal settlement                 | -              | (0.06)         |                 |
| Tax items   | -              | 0.08           |                 |
| <b>Adjusted Diluted EPS</b>                           | <b>\$ 3.29</b> | <b>\$ 3.31</b> | <b>(0.6)%</b>   |
| Less:   |                |                |                 |
| Currency impact                                       | (0.53)         |                |                 |
| <b>Adjusted Diluted EPS, excluding Currency</b>       | <b>\$ 3.82</b> | <b>\$ 3.31</b> | <b>15.4%</b>    |

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

| 2008                  |                   |  |               |   |                   |   | 2007                  |                   |  | % Change in Reported Net Revenues<br>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  | Reported excluding Currency | Reported excluding Currency & Acquisitions |      |
| \$ 63,640             | \$ 37,935         | \$ 25,705                                    | \$ 1,382      | \$ 24,323   | \$ 229            | \$ 24,094   | PMI Total             | \$ 55,243         | \$ 32,433                                    | \$ 22,810   | 12.7%                       | 6.6%                                       | 5.6% |

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

| 2008                                |   |                                     |               |  |                   |   | 2007                                |   |                                     | % Change in Adjusted Operating Companies Income |                             |  |      |
|-------------------------------------|---|-------------------------------------|---------------|--|-------------------|---|-------------------------------------|---|-------------------------------------|---|-----------------------------|--|------|
| Reported Operating Companies Income | Less Asset Impairment, Exit Costs & Other | 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 & Other | Adjusted Operating Companies Income | Adjusted  | Adjusted excluding Currency | Adjusted excluding Currency & Acquisitions |      |
| \$ 10,434                           | \$ (208)                                  | \$ 10,642                           | \$ 481        | \$ 10,161  | \$ 125            | \$ 10,036   | PMI Total                           | \$ 8,943                                  | \$ (195)                            | \$ 9,138  | 16.5%                       | 11.2%                                      | 9.8% |

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS &  
Adjustments for the Impact of Currency and 2007 Pro Forma  
**For the Years Ended December 31,**  
(Unaudited)

| 2008                       |  |          |               |                             | 2007                       |  |          |                                      |                    | % Change on Diluted Earnings Per Share |                             |
|----------------------------|--|----------|---------------|-----------------------------|----------------------------|--|----------|--------------------------------------|--------------------|--|-----------------------------|
| Reported <sup>(a)(c)</sup> | Less Asset Impairment/Exit Costs & Other | Adjusted | Less Currency | Adjusted excluding Currency | Reported <sup>(a)(c)</sup> | Less Asset Impairment/Exit Costs & Other | Adjusted | Pro Forma <sup>(b)</sup> Adjustments | Adjusted Pro Forma | Adjusted                               | Adjusted Excluding Currency |
| \$ 3.31                    | \$ -                                     | \$ 3.31  | \$ 0.15       | \$ 3.16                     | \$ 2.86                    | \$ (0.03)                                | \$ 2.89  | \$ (0.09)                            | \$ 2.80            | 18.2%                                  | 12.9%                       |
| Diluted Earnings Per Share |  |          |               |                             |                            |  |          |                                      |                    |  |                             |

(a) Refer to schedule 11 and 12 in the 2008 Full Year Earnings Release

(b) For details on the pro forma adjustments, please refer to the schedule 14 in the 2008 Full Year Earnings Release

(c) Effective January 1, 2009, PMI adopted the provisions of amended FASB authoritative guidance which requires that unvested share-based payment awards that contain non-forfeitable rights to dividends are participating securities and therefore shall be included in the earnings per share calculation pursuant to the two-class method

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

### For the Year Ended December 31, 2008

|                        | Reported<br>Operating<br>Companies<br>Income | Less Asset<br>Impairment,<br>Exit Costs &<br>Other | Adjusted<br>Operating<br>Companies<br>Income | Reported Net<br>Revenues | Less<br>Excise<br>Taxes | Reported Net<br>Revenues<br>excluding<br>Excise Taxes | Adjusted<br>Operating<br>Companies<br>Income Margin |
|------------------------|--|--|--|--------------------------|-------------------------|---|---|
| European Union         | \$ 4,738                                     | \$ (66)  | \$ 4,804                                     | \$ 30,265                | \$ 20,577               | \$ 9,688  | 49.6%   |
| EEMA                   | 3,119  | (1)  | 3,120  | 14,817                   | 7,313                   | 7,504   | 41.6%   |
| Asia                   | 2,057  | (14)   | 2,071  | 12,222                   | 6,037                   | 6,185   | 33.5%   |
| Latin America & Canada | 520  | (127) <sup>(a)</sup>                               | 647  | 6,336                    | 4,008                   | 2,328   | 27.8%   |
| <b>PMI Total</b>       | <b>\$ 10,434</b>                             | <b>\$ (208)</b>                                    | <b>\$ 10,642</b>                             | <b>\$ 63,640</b>         | <b>\$ 37,935</b>        | <b>\$ 25,705</b>                                      | <b>41.4%</b>  |

### For the Year Ended December 31, 2009

|                        | Reported<br>Operating<br>Companies<br>Income | Less Asset<br>Impairment,<br>Exit Costs &<br>Other | Adjusted<br>Operating<br>Companies<br>Income | Reported Net<br>Revenues | Less<br>Excise<br>Taxes | Reported Net<br>Revenues<br>excluding<br>Excise Taxes | Adjusted<br>Operating<br>Companies<br>Income Margin |
|------------------------|--|--|--|--------------------------|-------------------------|---|---|
| European Union         | \$ 4,506                                     | \$ (29)  | \$ 4,535                                     | \$ 28,550                | \$ 19,509               | \$ 9,041  | 50.2%   |
| EEMA                   | 2,663  | -  | 2,663  | 13,865                   | 7,070                   | 6,795   | 39.2%   |
| Asia                   | 2,436  | -  | 2,436  | 12,413                   | 5,885                   | 6,528   | 37.3%   |
| Latin America & Canada | 666  | (135) <sup>(b)</sup>                               | 801  | 7,252                    | 4,581                   | 2,671   | 30.0%   |
| <b>PMI Total</b>       | <b>\$ 10,271</b>                             | <b>\$ (164)</b>                                    | <b>\$ 10,435</b>                             | <b>\$ 62,080</b>         | <b>\$ 37,045</b>        | <b>\$ 25,035</b>                                      | <b>41.7%</b>  |

(a) Includes equity loss from RBH Legal Settlement (\$124 million)

(b) Represents the 2009 Colombian Investment and Cooperation Agreement charge

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

### For the Year Ended December 31, 2010

|                        | <u>Reported<br/>Operating<br/>Companies<br/>Income</u> | <u>Less Asset<br/>Impairment &amp;<br/>Exit Costs</u> | <u>Adjusted<br/>Operating<br/>Companies<br/>Income</u> | <u>Reported Net<br/>Revenues</u> | <u>Less<br/>Excise<br/>Taxes</u> | <u>Reported Net<br/>Revenues<br/>excluding<br/>Excise Taxes</u> | <u>Adjusted<br/>Operating<br/>Companies<br/>Income Margin</u> |
|------------------------|--|---|--|----------------------------------|----------------------------------|---|---|
| European Union         | \$ 4,311   | \$ (27)   | \$ 4,338   | \$ 28,050                        | \$ 19,239                        | \$ 8,811  | 49.2%   |
| EEMA                   | 3,152  | -   | 3,152  | 15,928                           | 8,519                            | 7,409   | 42.5%   |
| Asia                   | 3,049  | (20)  | 3,069  | 15,235                           | 7,300                            | 7,935   | 38.7%   |
| Latin America & Canada | 953  | -   | 953  | 8,500                            | 5,447                            | 3,053   | 31.2%   |
| <b>PMI Total</b>       | <b>\$ 11,465</b>                                       | <b>\$ (47)</b>  | <b>\$ 11,512</b>                                       | <b>\$ 67,713</b>                 | <b>\$ 40,505</b>                 | <b>\$ 27,208</b>  | <b>42.3%</b>  |

### For the Year Ended December 31, 2011

|                        | <u>Reported<br/>Operating<br/>Companies<br/>Income</u> | <u>Less Asset<br/>Impairment &amp;<br/>Exit Costs</u> | <u>Adjusted<br/>Operating<br/>Companies<br/>Income</u> | <u>Reported Net<br/>Revenues</u> | <u>Less<br/>Excise<br/>Taxes</u> | <u>Reported Net<br/>Revenues<br/>excluding<br/>Excise Taxes</u> | <u>Adjusted<br/>Operating<br/>Companies<br/>Income Margin</u> |
|------------------------|--|---|--|----------------------------------|----------------------------------|---|---|
| European Union         | \$ 4,560   | \$ (45)   | \$ 4,605   | \$ 29,768                        | \$ 20,556                        | \$ 9,212  | 50.0%   |
| EEMA                   | 3,229  | (25)  | 3,254  | 17,452                           | 9,571                            | 7,881   | 41.3%   |
| Asia                   | 4,836  | (15)  | 4,851  | 19,590                           | 8,885                            | 10,705  | 45.3%   |
| Latin America & Canada | 988  | (24)  | 1,012  | 9,536                            | 6,237                            | 3,299   | 30.7%   |
| <b>PMI Total</b>       | <b>\$ 13,613</b>                                       | <b>\$ (109)</b>                                       | <b>\$ 13,722</b>                                       | <b>\$ 76,346</b>                 | <b>\$ 45,249</b>                 | <b>\$ 31,097</b>  | <b>44.1%</b>  |



# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

### For the Year Ended December 31, 2012

|                        | Reported<br>Operating<br>Companies<br>Income | Less Asset<br>Impairment &<br>Exit Costs | Adjusted<br>Operating<br>Companies<br>Income | Reported Net<br>Revenues | Less<br>Excise<br>Taxes | Reported Net<br>Revenues<br>excluding<br>Excise Taxes | Adjusted<br>Operating<br>Companies<br>Income Margin |
|------------------------|--|--|--|--------------------------|-------------------------|---|---|
| European Union         | \$ 4,187                                     | \$ (5)                                   | \$ 4,192                                     | \$ 27,338                | \$ 18,812               | \$ 8,526  | 49.2%   |
| EEMA                   | 3,726  | (5)                                      | 3,731  | 19,272                   | 10,940                  | 8,332   | 44.8%   |
| Asia                   | 5,197  | (39)                                     | 5,236  | 21,071                   | 9,873                   | 11,198  | 46.8%   |
| Latin America & Canada | 1,043  | (34)                                     | 1,077  | 9,712                    | 6,391                   | 3,321   | 32.4%   |
| <b>PMI Total</b>       | <b>\$ 14,153</b>                             | <b>\$ (83)</b>                           | <b>\$ 14,236</b>                             | <b>\$ 77,393</b>         | <b>\$ 46,016</b>        | <b>\$ 31,377</b>                                      | <b>45.4%</b>  |

### For the Year Ended December 31, 2013

|                        | Reported<br>Operating<br>Companies<br>Income | Less Asset<br>Impairment &<br>Exit Costs | Adjusted<br>Operating<br>Companies<br>Income | Reported Net<br>Revenues | Less<br>Excise<br>Taxes | Reported Net<br>Revenues<br>excluding<br>Excise Taxes | Adjusted<br>Operating<br>Companies<br>Income Margin |
|------------------------|--|--|--|--------------------------|-------------------------|---|---|
| European Union         | \$ 4,238                                     | \$ (13)                                  | \$ 4,251                                     | \$ 28,303                | \$ 19,707               | \$ 8,596  | 49.5%   |
| EEMA                   | 3,779  | (264)                                    | 4,043  | 20,695                   | 11,929                  | 8,766   | 46.1%   |
| Asia                   | 4,622  | (27)                                     | 4,649  | 20,987                   | 10,486                  | 10,501  | 44.3%   |
| Latin America & Canada | 1,134  | (5)                                      | 1,139  | 10,044                   | 6,690                   | 3,354   | 34.0%   |
| <b>PMI Total</b>       | <b>\$ 13,773</b>                             | <b>\$ (309)</b>                          | <b>\$ 14,082</b>                             | <b>\$ 80,029</b>         | <b>\$ 48,812</b>        | <b>\$ 31,217</b>                                      | <b>45.1%</b>  |

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

### For the Quarter Ended March 31, 2013

|                        | <u>Reported<br/>Operating<br/>Companies<br/>Income</u> | <u>Less Asset<br/>Impairment &amp;<br/>Exit Costs</u> | <u>Adjusted<br/>Operating<br/>Companies<br/>Income</u> | <u>Reported Net<br/>Revenues</u> | <u>Less<br/>Excise<br/>Taxes</u> | <u>Reported Net<br/>Revenues<br/>excluding<br/>Excise Taxes</u> | <u>Adjusted<br/>Operating<br/>Companies<br/>Income Margin</u> |
|------------------------|--|---|--|----------------------------------|----------------------------------|---|---|
| European Union         | \$ 938   | \$ -  | \$ 938   | \$ 6,523                         | \$ 4,553                         | \$ 1,970  | 47.6%   |
| EEMA                   | 935  | -   | 935  | 4,423                            | 2,380                            | 2,043   | 45.8%   |
| Asia                   | 1,342  | (3)   | 1,345  | 5,251                            | 2,461                            | 2,790   | 48.2%   |
| Latin America & Canada | 254  | -   | 254  | 2,330                            | 1,549                            | 781   | 32.5%   |
| <b>PMI Total</b>       | <b>\$ 3,469</b>  | <b>\$ (3)</b>   | <b>\$ 3,472</b>  | <b>\$ 18,527</b>                 | <b>\$ 10,943</b>                 | <b>\$ 7,584</b>   | <b>45.8%</b>  |

### For the Quarter Ended March 31, 2014

|                        | <u>Reported<br/>Operating<br/>Companies<br/>Income</u> | <u>Less Asset<br/>Impairment &amp;<br/>Exit Costs</u> | <u>Adjusted<br/>Operating<br/>Companies<br/>Income</u> | <u>Reported Net<br/>Revenues</u> | <u>Less<br/>Excise<br/>Taxes</u> | <u>Reported Net<br/>Revenues<br/>excluding<br/>Excise Taxes</u> | <u>Adjusted<br/>Operating<br/>Companies<br/>Income Margin</u> |
|------------------------|--|---|--|----------------------------------|----------------------------------|---|---|
| European Union         | \$ 978   | \$ -  | \$ 978   | \$ 6,619                         | \$ 4,606                         | \$ 2,013  | 48.6%   |
| EEMA                   | 927  | -   | 927  | 4,562                            | 2,553                            | 2,009   | 46.1%   |
| Asia                   | 915  | (23)  | 938  | 4,475                            | 2,293                            | 2,182   | 43.0%   |
| Latin America & Canada | 202  | -   | 202  | 2,123                            | 1,410                            | 713   | 28.3%   |
| <b>PMI Total</b>       | <b>\$ 3,022</b>  | <b>\$ (23)</b>  | <b>\$ 3,045</b>  | <b>\$ 17,779</b>                 | <b>\$ 10,862</b>                 | <b>\$ 6,917</b>   | <b>44.0%</b>  |

# 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 as a Percent of Net Revenues Excluding Excise Taxes  
(\$ in millions)  
(Unaudited)

|  | For the Quarter Ended<br>March 31,<br>2014 | For the Years Ended<br>December 31, |                 |                 |                 |                 |                 | Cumulative Total<br>2008 ~ March 31, 2014 |
|--|--|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---|
|  |  | 2013                                | 2012            | 2011            | 2010            | 2009            | 2008            |   |
| Net cash provided by operating activities <sup>(a)</sup> | \$ 715                                     | \$ 10,135                           | \$ 9,421        | \$ 10,529       | \$ 9,437        | \$ 7,884        | \$ 7,935        | \$ 56,056                                 |
| Less:  |  |                                     |                 |                 |                 |                 |                 |   |
| Capital expenditures                                     | 256  | 1,200                               | 1,056           | 897             | 713             | 715             | 1,099           | 5,936                                     |
| <b>Free Cash Flow</b>                                    | <b>\$ 459</b>                              | <b>\$ 8,935</b>                     | <b>\$ 8,365</b> | <b>\$ 9,632</b> | <b>\$ 8,724</b> | <b>\$ 7,169</b> | <b>\$ 6,836</b> | <b>\$ 50,120</b>                          |

|  | For the Quarter Ended<br>March 31,<br>2014 | For the Years Ended<br>December 31, |                  |                  |                  |                  |                  | Cumulative Total<br>2008 ~ March 31, 2014 |
|--|--|-------------------------------------|------------------|------------------|------------------|------------------|------------------|---|
|  |  | 2013                                | 2012             | 2011             | 2010             | 2009             | 2008             |   |
| Net Revenues                               | \$ 17,779                                  | \$ 80,029                           | \$ 77,393        | \$ 76,346        | \$ 67,713        | \$ 62,080        | \$ 63,640        | \$ 444,980                                |
| Less:                                      |  |                                     |                  |                  |                  |                  |                  |   |
| Excise Taxes                               | 10,862                                     | 48,812                              | 46,016           | 45,249           | 40,505           | 37,045           | 37,935           | 266,424                                   |
| <b>Net Revenues excluding Excise Taxes</b> | <b>\$ 6,917</b>                            | <b>\$ 31,217</b>                    | <b>\$ 31,377</b> | <b>\$ 31,097</b> | <b>\$ 27,208</b> | <b>\$ 25,035</b> | <b>\$ 25,705</b> | <b>\$ 178,556</b>                         |

**Free Cash Flow as a Percent  
of Net Revenues excluding Excise Taxes**

**28.1%**

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

Calculation of Total Debt to EBITDA and Net Debt to EBITDA Ratios  
(\$ in millions, except ratios)  
(Unaudited)

|  |                          |                   |                           | <u>For the Year Ended</u>    |  |  |  |  |                                     |                      |
|--|--------------------------|-------------------|---------------------------|------------------------------|--|--|--|--|-------------------------------------|----------------------|
|  | April ~ December<br>2013 | March 31,<br>2014 | January ~ March<br>2014   | 12 months<br>rolling         | December 31,<br>2013                       | December 31,<br>2012 <sup>(a)</sup>        | December 31,<br>2011 <sup>(a)</sup>        | December 31,<br>2010 <sup>(a)</sup>        | December 31,<br>2009 <sup>(a)</sup> | December 31,<br>2008 |
| Earnings before income taxes   | \$ 9,387                 | \$ 2,683          | \$ 12,070                 | \$ 12,542                    | \$ 13,004                                  | \$ 12,542                                  | \$ 10,332                                  | \$ 9,249                                   | \$ 9,937                            |                      |
| Interest expense, net  | 737                      | 268               | 1,005                     | 973                          | 859  | 800  | 876  | 797  | 311                                 |                      |
| Depreciation and amortization  | 660                      | 211               | 871                       | 882                          | 898  | 993  | 932  | 853  | 842                                 |                      |
| Extraordinary, unusual or non-recurring expenses, net <sup>(b)</sup> | 306                      | 23                | 329                       | 309                          | 83   | 109  | 47   | 164  | 208                                 |                      |
| <b>EBITDA</b>  | <b>\$ 11,090</b>         | <b>\$ 3,185</b>   | <b>\$ 14,275</b>          | <b>\$ 14,706</b>             | <b>\$ 14,844</b>                           | <b>\$ 14,444</b>                           | <b>\$ 12,187</b>                           | <b>\$ 11,063</b>                           | <b>\$ 11,298</b>                    |                      |
| <br>   |                          |                   |                           |                              |  |  |  |  |                                     |                      |
|  |                          |                   | <b>March 31,<br/>2014</b> | <b>December 31,<br/>2013</b> | <b>December 31,<br/>2012<sup>(a)</sup></b> | <b>December 31,<br/>2011<sup>(a)</sup></b> | <b>December 31,<br/>2010<sup>(a)</sup></b> | <b>December 31,<br/>2009<sup>(a)</sup></b> | <b>December 31,<br/>2008</b>        |                      |
| Short-term borrowings  |                          | \$ 3,284          | \$ 2,400                  | \$ 2,419                     | \$ 1,511                                   | \$ 1,747                                   | \$ 1,662                                   | \$ 375                                     |                                     |                      |
| Current portion of long-term debt                                    |                          | 406               | 1,255                     | 2,781                        | 2,206                                      | 1,385                                      | 82   | 209  |                                     |                      |
| Long-term debt   |                          | 25,989            | 24,023                    | 17,639                       | 14,828                                     | 13,370                                     | 13,672                                     | 11,377                                     |                                     |                      |
| <b>Total Debt</b>  |                          | <b>\$ 29,679</b>  | <b>\$ 27,678</b>          | <b>\$ 22,839</b>             | <b>\$ 18,545</b>                           | <b>\$ 16,502</b>                           | <b>\$ 15,416</b>                           | <b>\$ 11,961</b>                           |                                     |                      |
| Less: Cash and cash equivalents                                      |                          | 1,823             | 2,154                     | 2,983                        | 2,550                                      | 1,703                                      | 1,540                                      | 1,531                                      |                                     |                      |
| <b>Net Debt</b>  |                          | <b>\$ 27,856</b>  | <b>\$ 25,524</b>          | <b>\$ 19,856</b>             | <b>\$ 15,995</b>                           | <b>\$ 14,799</b>                           | <b>\$ 13,876</b>                           | <b>\$ 10,430</b>                           |                                     |                      |
| <br>   |                          |                   |                           |                              |  |  |  |  |                                     |                      |
| <b>Ratios</b>  |                          |                   | <b>2.08</b>               | <b>1.88</b>                  | <b>1.54</b>                                | <b>1.28</b>                                | <b>1.35</b>                                | <b>1.39</b>                                | <b>1.06</b>                         |                      |
| <b>Total Debt to EBITDA</b>  |                          |                   | <b>1.95</b>               | <b>1.74</b>                  | <b>1.34</b>                                | <b>1.11</b>                                | <b>1.21</b>                                | <b>1.25</b>                                | <b>0.92</b>                         |                      |
| <b>Net Debt to EBITDA</b>  |                          |                   |                           |                              |  |  |  |  |                                     |                      |

(a) Certain amounts have been reclassified to conform with the year 2013 presentation due to the separate disclosure of equity (income)/loss in unconsolidated subsidiaries, net

(b) Asset impairment, exit costs and other costs at operating income level