



PHILIP MORRIS  
INTERNATIONAL

2016  
INVESTOR DAY

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## **Investor Day**

### **Lausanne, September 29/30, 2016**

*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 Years Ended December 31,  
(\$ in millions)  
(Unaudited)

2015								2014			% Change in Net Revenues excluding Excise Taxes		
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisi- tions	Net Revenues excluding Excise Taxes, Currency & Acquisitions		Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 26,563	\$ 18,495	\$ 8,068	\$ (1,503)	\$ 9,571	\$ 11	\$ 9,560	European Union	\$ 30,517	\$ 21,370	\$ 9,147	(11.8)%	4.6%	4.5%
18,328	10,964	7,364	(1,835)	9,199	1	9,198	EEMA	20,469	11,855	8,614	(14.5)%	6.8%	6.8%
19,469	11,266	8,203	(875)	9,078	-	9,078	Asia	19,255	10,527	8,728	(6.0)%	4.0%	4.0%
9,548	6,389	3,159	(505)	3,664	4	3,660	Latin America & Canada	9,865	6,587	3,278	(3.6)%	11.8%	11.7%
<b>\$ 73,908</b>	<b>\$ 47,114</b>	<b>\$ 26,794</b>	<b>\$ (4,718)</b>	<b>\$ 31,512</b>	<b>\$ 16</b>	<b>\$ 31,496</b>	<b>PMI Total</b>	<b>\$ 80,106</b>	<b>\$ 50,339</b>	<b>\$ 29,767</b>	<b>(10.0)%</b>	<b>5.9%</b>	<b>5.8%</b>

2015					2014					% Change in Operating Companies Income		
Operating Companies Income	Less Currency	Operating Companies Income excluding Currency	Less Acquisi-tions	Operating Companies Income excluding Currency & Acquisitions			Operating Companies Income	Total	Excluding Currency	Excluding Currency & Acquisitions		
\$ 3,576	\$ (857)	\$ 4,433	\$ (2)	\$ 4,435	European Union		\$ 3,815	(6.3)%	16.2%	16.3%		
3,425	(938)	4,363	(1)	4,364	EEMA		4,033	(15.1)%	8.2%	8.2%		
2,886	(388)	3,274	-	3,274	Asia		3,187	(9.4)%	2.7%	2.7%		
1,085	(210)	1,295	3	1,292	Latin America & Canada		1,030	5.3%	25.7%	25.4%		
\$ 10,972	\$ (2,393)	\$ 13,365	\$ -	\$ 13,365	PMI Total		\$ 12,065	(9.1)%	10.8%	10.8%		

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

(Unaudited)											% Change in Adjusted Operating Companies Income		
2015							2014						

2015							2014			% 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	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
\$ 4,501	\$ 9,571	47.0%	\$ 4,503	\$ 9,560	47.1%	European Union	\$ 4,305	\$ 9,147	47.1%	(0.1)	-
4,363	9,199	47.4%	4,364	9,198	47.4%	EEMA	4,035	8,614	46.8%	0.6	0.6
3,274	9,078	36.1%	3,274	9,078	36.1%	Asia	3,222	8,728	36.9%	(0.8)	(0.8)
1,295	3,664	35.3%	1,292	3,660	35.3%	Latin America & Canada	1,038	3,278	31.7%	3.6	3.6
\$ 13,433	\$ 31,512	42.6%	\$ 13,433	\$ 31,496	42.6%	PMI Total	\$ 12,600	\$ 29,767	42.3%	0.3	0.3

(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



Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS and Adjusted Diluted EPS, excluding Currency  
For the Years Ended December 31,  
(Unaudited)

	2015	2014	% Change
<b>Reported Diluted EPS</b>	\$ 4.42	\$ 4.76	(7.1)%
Adjustments:			
Asset impairment and exit costs	0.03	0.26	
Tax items	(0.03)	-	
<b>Adjusted Diluted EPS</b>	\$ 4.42	\$ 5.02	(12.0)%
Less:			
Currency impact	(1.20)		
<b>Adjusted Diluted EPS, excluding Currency</b>	\$ 5.62	\$ 5.02	12.0%

# 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)

2014								2013			% Change in Net Revenues excluding Excise Taxes		
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisi- tions	Net Revenues excluding Excise Taxes, Currency & Acquisitions		Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 30,517	\$ 21,370	\$ 9,147	\$ 126	\$ 9,021	\$ 11	\$ 9,010	European Union	\$ 29,656	\$ 20,770	\$ 8,886	2.9%	1.5%	1.4%
20,469	11,855	8,614	(765)	9,379	1	9,378	EEMA	19,342	10,866	8,476	1.6%	10.7%	10.6%
19,255	10,527	8,728	(1,022)	9,750	-	9,750	Asia	20,987	10,486	10,501	(16.9)%	(7.2)%	(7.2)%
9,865	6,587	3,278	(431)	3,709	1	3,708	Latin America & Canada	10,044	6,690	3,354	(2.3)%	10.6%	10.6%
<b>\$ 80,106</b>	<b>\$ 50,339</b>	<b>\$ 29,767</b>	<b>\$ (2,092)</b>	<b>\$ 31,859</b>	<b>\$ 13</b>	<b>\$ 31,846</b>	<b>PMI Total</b>	<b>\$ 80,029</b>	<b>\$ 48,812</b>	<b>\$ 31,217</b>	<b>(4.6)%</b>	<b>2.1%</b>	<b>2.0%</b>

2014								2013			% Change in Operating Companies Income		
Operating Companies Income		Less Currency	Operating Companies Income excluding Currency	Less Acquisi- tions	Operating Companies Income excluding Currency & Acquisitions			Operating Companies Income			Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 3,815		\$ 39	\$ 3,776	\$ (1)	\$ 3,777	European Union		\$ 4,309			(11.5)%	(12.4)%	(12.3)%
4,033		(613)	4,646	(8)	4,654	EEMA		3,708			8.8%	25.3%	25.5%
3,187		(656)	3,843	-	3,843	Asia		4,622			(31.0)%	(16.9)%	(16.9)%
1,030		(243)	1,273	(1)	1,274	Latin America & Canada		1,134			(9.2)%	12.3%	12.3%
<b>\$ 12,065</b>		<b>\$ (1,473)</b>	<b>\$ 13,538</b>	<b>\$ (10)</b>	<b>\$ 13,548</b>	<b>PMI Total</b>		<b>\$ 13,773</b>			<b>(12.4)%</b>	<b>(1.7)%</b>	<b>(1.6)%</b>

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

(Unaudited)											% Change in Adjusted Operating Companies Income		
2014							2013						
Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisitions	Adjusted Operating Companies Income excluding Currency & Acquisitions		Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions
\$ 3,815	\$ (490)	\$ 4,305	\$ 39	\$ 4,266	\$ (1)	\$ 4,267	European Union	\$ 4,309	\$ (13)	\$ 4,322	(0.4)%	(1.3)%	(1.3)%
4,033	(2)	4,035	(613)	4,648	(8)	4,656	EEMA	3,708	(264)	3,972	1.6%	17.0%	17.2%
3,187	(35)	3,222	(656)	3,878	-	3,878	Asia	4,622	(27)	4,649	(30.7)%	(16.6)%	(16.6)%
1,030	(8)	1,038	(243)	1,281	(1)	1,282	Latin America & Canada	1,134	(5)	1,139	(8.9)%	12.5%	12.6%
\$ 12,065	\$ (535)	\$ 12,600	\$ (1,473)	\$ 14,073	\$ (10)	\$ 14,083	PMI Total	\$ 13,773	\$ (309)	\$ 14,082	(10.5)%	(0.1)%	-

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	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
\$ 4,266	\$ 9,021	47.3%		\$ 4,267	\$ 9,010	47.4%	European Union	\$ 4,322	\$ 8,886	48.6%	(1.3)	(1.2)
4,648	9,379	49.6%		4,656	9,378	49.6%	EEMA	3,972	8,476	46.9%	2.7	2.7
3,878	9,750	39.8%		3,878	9,750	39.8%	Asia	4,649	10,501	44.3%	(4.5)	(4.5)
1,281	3,709	34.5%		1,282	3,708	34.6%	Latin America & Canada	1,139	3,354	34.0%	0.5	0.6
\$ 14,073	\$ 31,859	44.2%		\$ 14,083	\$ 31,846	44.2%	PMI Total	\$ 14,082	\$ 31,217	45.1%	(0.9)	(0.9)

(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)

	2014	2013	% Change
<b>Reported Diluted EPS</b>	<b>\$ 4.76</b>	<b>\$ 5.26</b>	<b>(9.5)%</b>
Adjustments:			
Asset impairment and exit costs	0.26	0.12	
Tax items	-	0.02	
<b>Adjusted Diluted EPS</b>	<b>\$ 5.02</b>	<b>\$ 5.40</b>	<b>(7.0)%</b>
Less:			
Currency impact	(0.80)		
<b>Adjusted Diluted EPS, excluding Currency</b>	<b>\$ 5.82</b>	<b>\$ 5.40</b>	<b>7.8%</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)

2013								2012			% Change in Net Revenues excluding Excise Taxes		
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisi- tions	Net Revenues excluding Excise Taxes, Currency & Acquisitions		Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 29,656	\$ 20,770	\$ 8,886	\$ 213	\$ 8,673	\$ -	\$ 8,673	European Union	\$ 28,707	\$ 19,874	\$ 8,833	0.6%	(1.8)%	(1.8)%
19,342	10,866	8,476	(106)	8,582	-	8,582	EEMA	17,903	9,878	8,025	5.6%	6.9%	6.9%
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 Operating Companies Income		
Operating Companies Income	Less Currency	Operating Companies Income excluding Currency	Less Acquisi-tions	Operating Companies Income excluding Currency & Acquisitions			Operating Companies Income	Total	Excluding Currency	Excluding Currency & Acquisitions		
\$ 4,309	\$ 95	\$ 4,214	\$ -	\$ 4,214	European Union		\$ 4,267	1.0%	(1.2)%	(1.2)%		
3,708	(125)	3,833	-	3,833	EEMA		3,646	1.7%	5.1%	5.1%		
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 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		
Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisitions	Adjusted Operating Companies Income excluding Currency & Acquisitions		Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income		Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions			
\$ 4,309	\$ (13)	\$ 4,322	\$ 95	\$ 4,227	\$ -	\$ 4,227	European Union	\$ 4,267	\$ (5)	\$ 4,272	1.2%	(1.1)%	(1.1)%			
3,708	(264)	3,972	(125)	4,097	-	4,097	EEMA	3,646	(5)	3,651	8.8%	12.2%	12.2%			
4,622	(27)	4,649	(548)	5,197	-	5,197	Asia	5,197	(39)	5,236	(11.2)%	(0.7)%	(0.7)%			
1,134	(5)	1,139	(64)	1,203	-	1,203	Latin America & Canada	1,043	(34)	1,077	5.8%	11.7%	11.7%			
<b>\$ 13,773</b>	<b>\$ (309)</b>	<b>\$ 14,082</b>	<b>\$ (642)</b>	<b>\$ 14,724</b>	<b>\$ -</b>	<b>\$ 14,724</b>	<b>PMI Total</b>	<b>\$ 14,153</b>	<b>\$ (83)</b>	<b>\$ 14,236</b>	<b>(1.1)%</b>	<b>3.4%</b>	<b>3.4%</b>			

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	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				
\$ 4,227	\$ 8,673	48.7%	\$ 4,227	\$ 8,673	48.7%	European Union	\$ 4,272	\$ 8,833	48.4%		0.3	0.3				
4,097	8,582	47.7%	4,097	8,582	47.7%	EEMA	3,651	8,025	45.5%		2.2	2.2				
5,197	11,227	46.3%	5,197	11,227	46.3%	Asia	5,236	11,198	46.8%		(0.5)	(0.5)				
1,203	3,500	34.4%	1,203	3,500	34.4%	Latin America & Canada	1,077	3,321	32.4%		2.0	2.0				
<b>\$ 14,724</b>	<b>\$ 31,982</b>	<b>46.0%</b>	<b>\$ 14,724</b>	<b>\$ 31,982</b>	<b>46.0%</b>	<b>PMI Total</b>	<b>\$ 14,236</b>	<b>\$ 31,377</b>	<b>45.4%</b>		<b>0.6</b>	<b>0.6</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)

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

2012								2011				% Change in Net Revenues excluding Excise Taxes		
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisi- tions	Net Revenues excluding Excise Taxes, Currency & Acquisitions		Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes		Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 28,707	\$ 19,874	\$ 8,833	\$ (752)	\$ 9,585	\$ -	\$ 9,585	European Union	\$ 31,274	\$ 21,731	\$ 9,543		(7.4)%	0.4%	0.4%
17,903	9,878	8,025	(431)	8,456	27	8,429	EEMA	15,946	8,396	7,550		6.3%	12.0%	11.6%
21,071	9,873	11,198	(116)	11,314	1	11,313	Asia	19,590	8,885	10,705		4.6%	5.7%	5.7%
9,712	6,391	3,321	(196)	3,517	-	3,517	Latin America & Canada	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>PMI Total</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 Operating Companies Income		
Operating Companies Income		Less Currency	Operating Companies Income excluding Currency	Less Acquisi- tions	Operating Companies Income excluding Currency & Acquisitions			Operating Companies Income		Operating Companies Income		Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 4,267		\$ (398)	\$ 4,665	\$ -	\$ 4,665	European Union		\$ 4,651				(8.3)%	0.3%	0.3%
3,646		(185)	3,831	4	3,827	EEMA		3,138				16.2%	22.1%	22.0%
5,197		39	5,158	-	5,158	Asia		4,836				7.5%	6.7%	6.7%
1,043		(63)	1,106	-	1,106	Latin America & Canada		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>PMI Total</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 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		
Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisitions	Adjusted Operating Companies Income excluding Currency & Acquisitions	Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions
\$ 4,267	\$ (5)	\$ 4,272	\$ (398)	\$ 4,670	\$ -	\$ 4,670	\$ 4,651	\$ (45)	\$ 4,696	(9.0)%	(0.6)%	(0.6)%
3,646	(5)	3,651	(185)	3,836	4	3,832	3,138	(25)	3,163	15.4%	21.3%	21.2%
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	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
\$ 4,670	\$ 9,585	48.7%	\$ 4,670	\$ 9,585	48.7%	\$ 4,696	\$ 9,543	49.2%	(0.5)	(0.5)
3,836	8,456	45.4%	3,832	8,429	45.5%	3,163	7,550	41.9%	3.5	3.6
5,197	11,314	45.9%	5,197	11,313	45.9%	4,851	10,705	45.3%	0.6	0.6
1,140	3,517	32.4%	1,140	3,517	32.4%	1,012	3,299	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>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



Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS and Adjusted Diluted EPS, excluding Currency  
For the Years Ended December 31,  
(Unaudited)

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

2011								2010			% Change in Net Revenues excluding Excise Taxes		
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisi- tions	Net Revenues excluding Excise Taxes, Currency & Acquisitions		Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 31,274	\$ 21,731	\$ 9,543	\$ 454	\$ 9,089	\$ -	\$ 9,089	European Union	\$ 29,305	\$ 20,202	\$ 9,103	4.8%	(0.2)%	(0.2)%
15,946	8,396	7,550	35	7,515	25	7,490	EEMA	14,673	7,556	7,117	6.1%	5.6%	5.2%
19,590	8,885	10,705	690	10,015	112	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 Operating Companies Income		
Operating Companies Income		Less Currency	Operating Companies Income excluding Currency	Less Acquisi- tions	Operating Companies Income excluding Currency & Acquisitions			Operating Companies Income			Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 4,651		\$ 283	\$ 4,368	\$ (1)	\$ 4,369	European Union		\$ 4,394			5.8%	(0.6)%	(0.6)%
3,138		(103)	3,241	(13)	3,254	EEMA		3,069			2.2%	5.6%	6.0%
4,836		400	4,436	28	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>

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

2011							2010							% Change in Adjusted Operating Companies Income		
Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisitions	Adjusted Operating Companies Income excluding Currency & Acquisitions		Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions			
\$ 4,651	\$ (45)	\$ 4,696	\$ 283	\$ 4,413	\$ (1)	\$ 4,414	European Union	\$ 4,394	\$ (27)	\$ 4,421	6.2%	(0.2)%	(0.2)%			
3,138	(25)	3,163	(103)	3,266	(1)	3,267	EEMA	3,069	-	3,069	3.1%	6.4%	6.5%			
4,836	(15)	4,851	400	4,451	28	4,423	Asia	3,049	(20)	3,069	58.1%	45.0%	44.1%			
988	(24)	1,012	(2)	1,014	-	1,014	Latin America & Canada	953	-	953	6.2%	6.4%	6.4%			
\$ 13,613	\$ (109)	\$ 13,722	\$ 578	\$ 13,144	\$ 26	\$ 13,118	PMI Total	\$ 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>(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	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	
\$ 4,413	\$ 9,089	48.6%	\$ 4,414	\$ 9,089	48.6%	European Union	\$ 4,421	\$ 9,103	48.6%	-	-	
3,266	7,515	43.5%	3,267	7,490	43.6%	EEMA	3,069	7,117	43.1%	0.4	0.5	
4,451	10,015	44.4%	4,423	9,903	44.7%	Asia	3,069	7,935	38.7%	5.7	6.0	
1,014	3,229	31.4%	1,014	3,229	31.4%	Latin America & Canada	953	3,053	31.2%	0.2	0.2	
\$ 13,144	\$ 29,848	44.0%	\$ 13,118	\$ 29,711	44.2%	PMI Total	\$ 11,512	\$ 27,208	42.3%	1.7	1.9	

(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)

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

2010							2009							% Change in Net Revenues excluding Excise Taxes		
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisi- tions	Net Revenues excluding Excise Taxes, Currency & Acquisitions		Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Total	Excluding Currency	Excluding Currency & Acquisitions			
\$ 29,305	\$ 20,202	\$ 9,103	\$ (182)	\$ 9,285	\$ 3	\$ 9,282	European Union	\$ 29,909	\$ 20,534	\$ 9,375	(2.9)%	(1.0)%	(1.0)%			
14,673	7,556	7,117	86	7,031	80	6,951	EEMA	12,506	6,045	6,461	10.2%	8.8%	7.6%			
15,235	7,300	7,935	611	7,324	548	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 Operating Companies Income		
Operating Companies Income		Less Currency	Operating Companies Income excluding Currency	Less Acquisi- tions	Operating Companies Income excluding Currency & Acquisitions			Operating Companies Income		Operating Companies Income	Total	Excluding Currency	Excluding Currency & Acquisitions			
\$ 4,394		\$ (196)	\$ 4,590	\$ 2	\$ 4,588	European Union		\$ 4,601		(4.5)%	(0.2)%	(0.3)%				
3,069		112	2,957	28	2,929	EEMA		2,568		19.5%	15.1%	14.1%				
3,049		342	2,707	84	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>				

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

2010										2009			% Change in Adjusted Operating Companies Income		
Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisitions	Adjusted Operating Companies Income excluding Currency & Acquisitions				Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions
\$ 4,394	\$ (27)	\$ 4,421	\$ (196)	\$ 4,617	\$ 2	\$ 4,615	European Union			\$ 4,601	\$ (29)	\$ 4,630	(4.5)%	(0.3)%	(0.3)%
3,069	-	3,069	112	2,957	28	2,929	EEMA			2,568	-	2,568	19.5%	15.1%	14.1%
3,049	(20)	3,069	342	2,727	104	2,623	Asia			2,436	-	2,436	26.0%	11.9%	7.7%
953	-	953	85	868	(3)	871	Latin America & Canada			666	(135)	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>PMI Total</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>(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	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
\$ 4,617	\$ 9,285	49.7%	\$ 4,615	\$ 9,282	49.7%	European Union			\$ 4,630	\$ 9,375	49.4%	0.3	0.3
2,957	7,031	42.1%	2,929	6,951	42.1%	EEMA			2,568	6,461	39.7%	2.4	2.4
2,727	7,324	37.2%	2,623	6,776	38.7%	Asia			2,436	6,528	37.3%	(0.1)	1.4
868	2,874	30.2%	871	2,874	30.3%	Latin America & Canada			801	2,671	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>PMI Total</b>			<b>\$ 10,435</b>	<b>\$ 25,035</b>	<b>41.7%</b>	<b>0.4</b>	<b>0.9</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)

	2010	2009	% Change
<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 Six Months Ended June 30,  
(\$ in millions)  
(Unaudited)

2016								2015			% Change in Net Revenues excluding Excise Taxes		
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisi- tions	Net Revenues excluding Excise Taxes, Currency & Acquisitions		Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 13,277	\$ 9,259	\$ 4,018	\$ (116)	\$ 4,134	\$ -	\$ 4,134	European Union	\$ 12,898	\$ 8,887	\$ 4,011	0.2%	3.1%	3.1%
8,528	5,262	3,266	(374)	3,640	-	3,640	EEMA	8,801	5,170	3,631	(10.1)%	0.2%	0.2%
9,901	5,800	4,101	(185)	4,286	-	4,286	Asia	9,803	5,503	4,300	(4.6)%	(0.3)%	(0.3)%
4,123	2,776	1,347	(319)	1,666	-	1,666	Latin America & Canada	4,613	3,080	1,533	(12.1)%	8.7%	8.7%
<b>\$ 35,829</b>	<b>\$ 23,097</b>	<b>\$ 12,732</b>	<b>\$ (994)</b>	<b>\$ 13,726</b>	<b>\$ -</b>	<b>\$ 13,726</b>	<b>PMI Total</b>	<b>\$ 36,115</b>	<b>\$ 22,640</b>	<b>\$ 13,475</b>	<b>(5.5)%</b>	<b>1.9%</b>	<b>1.9%</b>

2016								2015			% Change in Operating Companies Income		
Operating Companies Income		Less Currency	Operating Companies Income excluding Currency	Less Acquisi- tions	Operating Companies Income excluding Currency & Acquisitions			Operating Companies Income			Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 1,976		\$ (24)	\$ 2,000	\$ -	\$ 2,000	European Union		\$ 1,932			2.3%	3.5%	3.5%
1,427		(322)	1,749	-	1,749	EEMA		1,719			(17.0)%	1.7%	1.7%
1,527		(68)	1,595	-	1,595	Asia		1,731			(11.8)%	(7.9)%	(7.9)%
453		(167)	620	-	620	Latin America & Canada		555			(18.4)%	11.7%	11.7%
<b>\$ 5,383</b>		<b>\$ (581)</b>	<b>\$ 5,964</b>	<b>\$ -</b>	<b>\$ 5,964</b>	<b>PMI Total</b>		<b>\$ 5,937</b>			<b>(9.3)%</b>	<b>0.5%</b>	<b>0.5%</b>

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

Reconciliation of Operating Companies Income to Adjusted Operating Companies Income &  
Reconciliation of Adjusted Operating Companies Income Margin, excluding Currency and Acquisitions  
For the Six Months Ended June 30,  
(\$ in millions)  
(Unaudited)

2016							2015			% Change in Adjusted Operating Companies Income		
Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisitions	Adjusted Operating Companies Income excluding Currency & Acquisitions	Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions
\$ 1,976	\$ -	\$ 1,976	\$ (24)	\$ 2,000	\$ -	\$ 2,000	European Union	\$ 1,932	\$ -	\$ 1,932	2.3%	3.5%
1,427	-	1,427	(322)	1,749	-	1,749	EEMA	1,719	-	1,719	(17.0)%	1.7%
1,527	-	1,527	(68)	1,595	-	1,595	Asia	1,731	-	1,731	(11.8)%	(7.9)%
453	-	453	(167)	620	-	620	Latin America & Canada	555	-	555	(18.4)%	11.7%
<b>\$ 5,383</b>	<b>\$ -</b>	<b>\$ 5,383</b>	<b>\$ (581)</b>	<b>\$ 5,964</b>	<b>\$ -</b>	<b>\$ 5,964</b>	<b>PMI Total</b>	<b>\$ 5,937</b>	<b>\$ -</b>	<b>\$ 5,937</b>	<b>(9.3)%</b>	<b>0.5%</b>

2016							2015			% 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
\$ 2,000	\$ 4,134	48.4%	\$ 2,000	\$ 4,134	48.4%	European Union	\$ 1,932	\$ 4,011	48.2%	0.2	0.2
1,749	3,640	48.0%	1,749	3,640	48.0%	EEMA	1,719	3,631	47.3%	0.7	0.7
1,595	4,286	37.2%	1,595	4,286	37.2%	Asia	1,731	4,300	40.3%	(3.1)	(3.1)
620	1,666	37.2%	620	1,666	37.2%	Latin America & Canada	555	1,533	36.2%	1.0	1.0
<b>\$ 5,964</b>	<b>\$ 13,726</b>	<b>43.5%</b>	<b>\$ 5,964</b>	<b>\$ 13,726</b>	<b>43.5%</b>	<b>PMI Total</b>	<b>\$ 5,937</b>	<b>\$ 13,475</b>	<b>44.1%</b>	<b>(0.6)</b>	<b>(0.6)</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

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

2016								2015				% Change in Net Revenues excluding Excise Taxes		
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisitions	Net Revenues excluding Excise Taxes, Currency & Acquisitions		Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes		Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 6,143	\$ 4,280	\$ 1,863	\$ (155)	\$ 2,018	\$ -	\$ 2,018	European Union	\$ 6,222	\$ 4,271	\$ 1,951		(4.5)%	3.4%	3.4%
3,997	2,395	1,602	(203)	1,805	-	1,805	EEMA	4,147	2,363	1,784		(10.2)%	1.2%	1.2%
4,689	2,721	1,968	(150)	2,118	-	2,118	Asia	4,764	2,609	2,155		(8.7)%	(1.7)%	(1.7)%
1,959	1,309	650	(183)	833	-	833	Latin America & Canada	2,219	1,493	726		(10.5)%	14.7%	14.7%
<b>\$ 16,788</b>	<b>\$ 10,705</b>	<b>\$ 6,083</b>	<b>\$ (691)</b>	<b>\$ 6,774</b>	<b>\$ -</b>	<b>\$ 6,774</b>	<b>PMI Total</b>	<b>\$ 17,352</b>	<b>\$ 10,736</b>	<b>\$ 6,616</b>		<b>(8.1)%</b>	<b>2.4%</b>	<b>2.4%</b>

2016								2015				% Change in Operating Companies Income		
Operating Companies Income		Less Currency	Operating Companies Income excluding Currency	Less Acquisitions	Operating Companies Income excluding Currency & Acquisitions			Operating Companies Income				Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 906		\$ (54)	\$ 960	\$ -	\$ 960	European Union		\$ 927		(2.3)%		3.6%		3.6%
633		(177)	810	-	810	EEMA		866		(26.9)%		(6.5)%		(6.5)%
778		(63)	841	-	841	Asia		934		(16.7)%		(10.0)%		(10.0)%
229		(89)	318	-	318	Latin America & Canada		230		(0.4)%		38.3%		38.3%
<b>\$ 2,546</b>		<b>\$ (383)</b>	<b>\$ 2,929</b>	<b>\$ -</b>	<b>\$ 2,929</b>	<b>PMI Total</b>		<b>\$ 2,957</b>		<b>(13.9)%</b>		<b>(0.9)%</b>		<b>(0.9)%</b>

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

(Unaudited)														% Change in Adjusted Operating Companies Income		
2016							2015									

2016								2015			% 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	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
\$ 960	\$ 2,018	47.6%		\$ 960	\$ 2,018	47.6%	European Union	\$ 927	\$ 1,951	47.5%	0.1	0.1
810	1,805	44.9%		810	1,805	44.9%	EEMA	866	1,784	48.5%	(3.6)	(3.6)
841	2,118	39.7%		841	2,118	39.7%	Asia	934	2,155	43.3%	(3.6)	(3.6)
318	833	38.2%		318	833	38.2%	Latin America & Canada	230	726	31.7%	6.5	6.5
\$ 2,929	\$ 6,774	43.2%		\$ 2,929	\$ 6,774	43.2%	PMI Total	\$ 2,957	\$ 6,616	44.7%	(1.5)	(1.5)

(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)

	2016	2015	% Change
<b>Reported Diluted EPS</b>	<b>\$ 0.98</b>	<b>\$ 1.16</b>	<b>(15.5)%</b>
Adjustments:			
Asset impairment and exit costs	-	-	
Tax items	-	-	
<b>Adjusted Diluted EPS</b>	<b>\$ 0.98</b>	<b>\$ 1.16</b>	<b>(15.5)%</b>
Less:			
Currency impact	(0.19)		
<b>Adjusted Diluted EPS, excluding Currency</b>	<b>\$ 1.17</b>	<b>\$ 1.16</b>	<b>0.9%</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 Quarters Ended June 30,  
(\$ in millions)  
(Unaudited)

2016										2015			% Change in Net Revenues excluding Excise Taxes		
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisi- tions	Net Revenues excluding Excise Taxes, Currency & Acquisitions				Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 7,134	\$ 4,979	\$ 2,155	\$ 39	\$ 2,116	\$ -	\$ 2,116	European Union			\$ 6,676	\$ 4,616	\$ 2,060	4.6%	2.7%	2.7%
4,531	2,867	1,664	(171)	1,835	-	1,835	EEMA			4,654	2,807	1,847	(9.9)%	(0.6)%	(0.6)%
5,212	3,079	2,133	(35)	2,168	-	2,168	Asia			5,039	2,894	2,145	(0.6)%	1.1%	1.1%
2,164	1,467	697	(136)	833	-	833	Latin America & Canada			2,394	1,587	807	(13.6)%	3.2%	3.2%
<b>\$ 19,041</b>	<b>\$ 12,392</b>	<b>\$ 6,649</b>	<b>\$ (303)</b>	<b>\$ 6,952</b>	<b>\$ -</b>	<b>\$ 6,952</b>	<b>PMI Total</b>			<b>\$ 18,763</b>	<b>\$ 11,904</b>	<b>\$ 6,859</b>	<b>(3.1)%</b>	<b>1.4%</b>	<b>1.4%</b>

2016										2015			% Change in Operating Companies Income		
Operating Companies Income		Less Currency	Operating Companies Income excluding Currency	Less Acquisi- tions	Operating Companies Income excluding Currency & Acquisitions					Operating Companies Income			Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 1,070		\$ 30	\$ 1,040	\$ -	\$ 1,040	European Union				\$ 1,005			6.5%	3.5%	3.5%
794		(145)	939	-	939	EEMA				853			(6.9)%	10.1%	10.1%
749		(5)	754	-	754	Asia				797			(6.0)%	(5.4)%	(5.4)%
224		(78)	302	-	302	Latin America & Canada				325			(31.1)%	(7.1)%	(7.1)%
<b>\$ 2,837</b>		<b>\$ (198)</b>	<b>\$ 3,035</b>	<b>\$ -</b>	<b>\$ 3,035</b>	<b>PMI Total</b>				<b>\$ 2,980</b>			<b>(4.8)%</b>	<b>1.8%</b>	<b>1.8%</b>

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

Reconciliation of Operating Companies Income to Adjusted Operating Companies Income &  
Reconciliation of Adjusted Operating Companies Income Margin, excluding Currency and Acquisitions  
**For the Quarters Ended June 30,**  
(\$ in millions)  
(Unaudited)

2016										2015			% Change in Adjusted Operating Companies Income		
Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisitions	Adjusted Operating Companies Income excluding Currency & Acquisitions				Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions
\$ 1,070	\$ -	\$ 1,070	\$ 30	\$ 1,040	\$ -	\$ 1,040	European Union			\$ 1,005	\$ -	\$ 1,005	6.5%	3.5%	3.5%
794	-	794	(145)	939	-	939	EEMA			853	-	853	(6.9)%	10.1%	10.1%
749	-	749	(5)	754	-	754	Asia			797	-	797	(6.0)%	(5.4)%	(5.4)%
224	-	224	(78)	302	-	302	Latin America & Canada			325	-	325	(31.1)%	(7.1)%	(7.1)%
<b>\$ 2,837</b>	<b>\$ -</b>	<b>\$ 2,837</b>	<b>\$ (198)</b>	<b>\$ 3,035</b>	<b>\$ -</b>	<b>\$ 3,035</b>	<b>PMI Total</b>			<b>\$ 2,980</b>	<b>\$ -</b>	<b>\$ 2,980</b>	<b>(4.8)%</b>	<b>1.8%</b>	<b>1.8%</b>

2016								2015			% 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	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
\$ 1,040	\$ 2,116	49.1%		\$ 1,040	\$ 2,116	49.1%	European Union	\$ 1,005	\$ 2,060	48.8%	0.3	0.3
939	1,835	51.2%		939	1,835	51.2%	EEMA	853	1,847	46.2%	5.0	5.0
754	2,168	34.8%		754	2,168	34.8%	Asia	797	2,145	37.2%	(2.4)	(2.4)
302	833	36.3%		302	833	36.3%	Latin America & Canada	325	807	40.3%	(4.0)	(4.0)
\$ 3,035	\$ 6,952	43.7%		\$ 3,035	\$ 6,952	43.7%	PMI Total	\$ 2,980	\$ 6,859	43.4%	0.3	0.3

(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 June 30,  
(Unaudited)

	2016	2015	% Change
<b>Reported Diluted EPS</b>	<b>\$ 1.15</b>	<b>\$ 1.21</b>	<b>(5.0)%</b>
Adjustments:			
Asset impairment and exit costs	-	-	
Tax items	-	-	
<b>Adjusted Diluted EPS</b>	<b>\$ 1.15</b>	<b>\$ 1.21</b>	<b>(5.0)%</b>
Less:			
Currency impact	(0.08)		
<b>Adjusted Diluted EPS, excluding Currency</b>	<b>\$ 1.23</b>	<b>\$ 1.21</b>	<b>1.7%</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 Quarters Ended March 31,  
(\$ in millions)  
(Unaudited)

2015								2014			% Change in Net Revenues excluding Excise Taxes		
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisitions	Net Revenues excluding Excise Taxes, Currency & Acquisitions		Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 6,222	\$ 4,271	\$ 1,951	\$ (287)	\$ 2,238	\$ 7	\$ 2,231	European Union	\$ 6,915	\$ 4,839	\$ 2,076	(6.0)%	7.8%	7.5%
4,147	2,363	1,784	(436)	2,220	-	2,220	EEMA	4,266	2,320	1,946	(8.3)%	14.1%	14.1%
4,764	2,609	2,155	(128)	2,283	-	2,283	Asia	4,475	2,293	2,182	(1.2)%	4.6%	4.6%
2,219	1,493	726	(88)	814	1	813	Latin America & Canada	2,123	1,410	713	1.8%	14.2%	14.0%
<b>\$ 17,352</b>	<b>\$ 10,736</b>	<b>\$ 6,616</b>	<b>\$ (939)</b>	<b>\$ 7,555</b>	<b>\$ 8</b>	<b>\$ 7,547</b>	<b>PMI Total</b>	<b>\$ 17,779</b>	<b>\$ 10,862</b>	<b>\$ 6,917</b>	<b>(4.4)%</b>	<b>9.2%</b>	<b>9.1%</b>

2015					2014					% Change in Operating Companies Income		
Operating Companies Income	Less Currency	Operating Companies Income excluding Currency	Less Acquisitions	Operating Companies Income excluding Currency & Acquisitions			Operating Companies Income	Total	Excluding Currency	Excluding Currency & Acquisitions		
\$ 927	\$ (194)	\$ 1,121	\$ -	\$ 1,121	European Union		\$ 993	(6.6)%	12.9%	12.9%		
866	(268)	1,134	-	1,134	EEMA		912	(5.0)%	24.3%	24.3%		
934	(79)	1,013	-	1,013	Asia		915	2.1%	10.7%	10.7%		
230	(44)	274	1	273	Latin America & Canada		202	13.9%	35.6%	35.1%		
\$ 2,957	\$ (585)	\$ 3,542	\$ 1	\$ 3,541	PMI Total		\$ 3,022	(2.2)%	17.2%	17.2%		

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

2015							2014			% Change in Adjusted Operating Companies Income			
Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisitions	Adjusted Operating Companies Income excluding Currency & Acquisitions		Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions
\$ 927	\$ -	\$ 927	\$ (194)	\$ 1,121	\$ -	\$ 1,121	European Union	\$ 993	\$ -	\$ 993	(6.6)%	12.9%	12.9%
866	-	866	(268)	1,134	-	1,134	EEMA	912	-	912	(5.0)%	24.3%	24.3%
934	-	934	(79)	1,013	-	1,013	Asia	915	(23)	938	(0.4)%	8.0%	8.0%
230	-	230	(44)	274	1	273	Latin America & Canada	202	-	202	13.9%	35.6%	35.1%
\$ 2,957	\$ -	\$ 2,957	\$ (585)	\$ 3,542	\$ 1	\$ 3,541	PMI Total	\$ 3,022	\$ (23)	\$ 3,045	(2.9)%	16.3%	16.3%

2015								2014			% 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	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
\$ 1,121	\$ 2,238	50.1%	\$ 1,121	\$ 2,231	50.2%	European Union	\$ 993	\$ 2,076		47.8%	2.3	2.4
1,134	2,220	51.1%	1,134	2,220	51.1%	EEMA	912	1,946		46.9%	4.2	4.2
1,013	2,283	44.4%	1,013	2,283	44.4%	Asia	938	2,182		43.0%	1.4	1.4
274	814	33.7%	273	813	33.6%	Latin America & Canada	202	713		28.3%	5.4	5.3
\$ 3,542	\$ 7,555	46.9%	\$ 3,541	\$ 7,547	46.9%	PMI Total	\$ 3,045	\$ 6,917		44.0%	2.9	2.9

(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)

	2015	2014	% Change
<b>Reported Diluted EPS</b>	<b>\$ 1.16</b>	<b>\$ 1.18</b>	<b>(1.7)%</b>
Adjustments:			
Asset impairment and exit costs	-	0.01	
Tax items	-	-	
<b>Adjusted Diluted EPS</b>	<b>\$ 1.16</b>	<b>\$ 1.19</b>	<b>(2.5)%</b>
Less:			
Currency impact	(0.31)		
<b>Adjusted Diluted EPS, excluding Currency</b>	<b>\$ 1.47</b>	<b>\$ 1.19</b>	<b>23.5%</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 Quarters Ended June 30,  
(\$ in millions)  
(Unaudited)

2015										2014			% Change in Net Revenues excluding Excise Taxes		
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisi- tions	Net Revenues excluding Excise Taxes, Currency & Acquisitions				Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 6,676	\$ 4,616	\$ 2,060	\$ (506)	\$ 2,566	\$ 4	\$ 2,562	European Union			\$ 8,213	\$ 5,738	\$ 2,475	(16.8)%	3.7%	3.5%
4,654	2,807	1,847	(446)	2,293	1	2,292	EEMA			5,290	3,089	2,201	(16.1)%	4.2%	4.1%
5,039	2,894	2,145	(229)	2,374	-	2,374	Asia			5,097	2,786	2,311	(7.2)%	2.7%	2.7%
2,394	1,587	807	(112)	919	3	916	Latin America & Canada			2,451	1,641	810	(0.4)%	13.5%	13.1%
<b>\$ 18,763</b>	<b>\$ 11,904</b>	<b>\$ 6,859</b>	<b>\$ (1,293)</b>	<b>\$ 8,152</b>	<b>\$ 8</b>	<b>\$ 8,144</b>	<b>PMI Total</b>			<b>\$ 21,051</b>	<b>\$ 13,254</b>	<b>\$ 7,797</b>	<b>(12.0)%</b>	<b>4.6%</b>	<b>4.5%</b>

2015					2014			% Change in Operating Companies Income		
Operating Companies Income	Less Currency	Operating Companies Income excluding Currency	Less Acquisi-tions	Operating Companies Income excluding Currency & Acquisitions			Operating Companies Income	Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 1,005	\$ (287)	\$ 1,292	\$ (2)	\$ 1,294	European Union		\$ 734	36.9%	76.0%	76.3%
853	(245)	1,098	(1)	1,099	EEMA		1,064	(19.8)%	3.2%	3.3%
797	(97)	894	-	894	Asia		900	(11.4)%	(0.7)%	(0.7)%
325	(51)	376	2	374	Latin America & Canada		265	22.6%	41.9%	41.1%
\$ 2,980	\$ (680)	\$ 3,660	\$ (1)	\$ 3,661	PMI Total		\$ 2,963	0.6%	23.5%	23.6%

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

Reconciliation of Operating Companies Income to Adjusted Operating Companies Income &  
Reconciliation of Adjusted Operating Companies Income Margin, excluding Currency and Acquisitions  
**For the Quarters Ended June 30,**  
(\$ in millions)  
(Unaudited)

2015										2014			% Change in Adjusted Operating Companies Income		
Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisitions	Adjusted Operating Companies Income excluding Currency & Acquisitions				Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions
\$ 1,005	\$ -	\$ 1,005	\$ (287)	\$ 1,292	\$ (2)	\$ 1,294	European Union			\$ 734	\$ (488)	\$ 1,222	(17.8)%	5.7%	5.9%
853	-	853	(245)	1,098	(1)	1,099	EEMA			1,064	-	1,064	(19.8)%	3.2%	3.3%
797	-	797	(97)	894	-	894	Asia			900	(1)	901	(11.5)%	(0.8)%	(0.8)%
325	-	325	(51)	376	2	374	Latin America & Canada			265	-	265	22.6%	41.9%	41.1%
<b>\$ 2,980</b>	<b>\$ -</b>	<b>\$ 2,980</b>	<b>\$ (680)</b>	<b>\$ 3,660</b>	<b>\$ (1)</b>	<b>\$ 3,661</b>	<b>PMI Total</b>			<b>\$ 2,963</b>	<b>\$ (489)</b>	<b>\$ 3,452</b>	<b>(13.7)%</b>	<b>6.0%</b>	<b>6.1%</b>

2015								2014			% 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	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
\$ 1,292	\$ 2,566	50.4%	\$ 1,294	\$ 2,562	50.5%	European Union	\$ 1,222	\$ 2,475	49.4%		1.0	1.1
1,098	2,293	47.9%	1,099	2,292	47.9%	EEMA	1,064	2,201	48.3%		(0.4)	(0.4)
894	2,374	37.7%	894	2,374	37.7%	Asia	901	2,311	39.0%		(1.3)	(1.3)
376	919	40.9%	374	916	40.8%	Latin America & Canada	265	810	32.7%		8.2	8.1
\$ 3,660	\$ 8,152	44.9%	\$ 3,661	\$ 8,144	45.0%	PMI Total	\$ 3,452	\$ 7,797	44.3%		0.6	0.7

(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

Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS and Adjusted Diluted EPS, excluding Currency  
For the Quarters Ended June 30,  
(Unaudited)

	2015	2014	% Change
<b>Reported Diluted EPS</b>	\$ 1.21	\$ 1.17	3.4%
Adjustments:			
Asset impairment and exit costs	-	0.24	
Tax items	-	-	
<b>Adjusted Diluted EPS</b>	\$ 1.21	\$ 1.41	(14.2)%
Less:			
Currency impact	(0.33)		
<b>Adjusted Diluted EPS, excluding Currency</b>	\$ 1.54	\$ 1.41	9.2%

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

Adjustments for the Impact of Currency and Acquisitions  
For the Quarters Ended September 30,  
(\$ in millions)  
(Unaudited)

2015								2014				% Change in Net Revenues excluding Excise Taxes		
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisi- tions	Net Revenues excluding Excise Taxes, Currency & Acquisitions		Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes		Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 7,018	\$ 4,895	\$ 2,123	\$ (441)	\$ 2,564	\$ -	\$ 2,564	European Union	\$ 8,208	\$ 5,759	\$ 2,449		(13.3)%	4.7%	4.7%
5,107	3,091	2,016	(536)	2,552	-	2,552	EEMA	5,680	3,338	2,342		(13.9)%	9.0%	9.0%
4,880	2,896	1,984	(268)	2,252	-	2,252	Asia	4,943	2,711	2,232		(11.1)%	0.9%	0.9%
2,417	1,613	804	(145)	949	-	949	Latin America & Canada	2,504	1,671	833		(3.5)%	13.9%	13.9%
<b>\$ 19,422</b>	<b>\$ 12,495</b>	<b>\$ 6,927</b>	<b>\$ (1,390)</b>	<b>\$ 8,317</b>	<b>\$ -</b>	<b>\$ 8,317</b>	<b>PMI Total</b>	<b>\$ 21,335</b>	<b>\$ 13,479</b>	<b>\$ 7,856</b>		<b>(11.8)%</b>	<b>5.9%</b>	<b>5.9%</b>

2015								2014				% Change in Operating Companies Income		
Operating Companies Income		Less Currency	Operating Companies Income excluding Currency	Less Acquisi- tions	Operating Companies Income excluding Currency & Acquisitions			Operating Companies Income				Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 1,045		\$ (251)	\$ 1,296	\$ -	\$ 1,296	European Union		\$ 1,218				(14.2)%	6.4%	6.4%
1,002		(310)	1,312	-	1,312	EEMA		1,172				(14.5)%	11.9%	11.9%
690		(122)	812	-	812	Asia		799				(13.6)%	1.6%	1.6%
294		(52)	346	-	346	Latin America & Canada		267				10.1%	29.6%	29.6%
<b>\$ 3,031</b>		<b>\$ (735)</b>	<b>\$ 3,766</b>	<b>\$ -</b>	<b>\$ 3,766</b>	<b>PMI Total</b>		<b>\$ 3,456</b>				<b>(12.3)%</b>	<b>9.0%</b>	<b>9.0%</b>

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

Reconciliation of Operating Companies Income to Adjusted Operating Companies Income &  
Reconciliation of Adjusted Operating Companies Income Margin, excluding Currency and Acquisitions  
For the Quarters Ended September 30,  
(\$ in millions)  
(Unaudited)

(Unaudited)														
2015							2014					% Change in Adjusted Operating Companies Income		

2015								2014			% 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	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
\$ 1,296	\$ 2,564	50.5%		\$ 1,296	\$ 2,564	50.5%	European Union	\$ 1,202	\$ 2,449	49.1%	1.4	1.4
1,312	2,552	51.4%		1,312	2,552	51.4%	EEMA	1,172	2,342	50.0%	1.4	1.4
812	2,252	36.1%		812	2,252	36.1%	Asia	799	2,232	35.8%	0.3	0.3
346	949	36.5%		346	949	36.5%	Latin America & Canada	274	833	32.9%	3.6	3.6
\$ 3,766	\$ 8,317	45.3%		\$ 3,766	\$ 8,317	45.3%	PMI Total	\$ 3,447	\$ 7,856	43.9%	1.4	1.4

(a) For the calculation of net revenues excluding excise taxes, currency and acquisitions, refer to previous slide

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS and Adjusted Diluted EPS, excluding Currency  
For the Quarters Ended September 30,  
(Unaudited)

	2015	2014	% Change
<b>Reported Diluted EPS</b>	<b>\$ 1.25</b>	<b>\$ 1.38</b>	<b>(9.4)%</b>
Adjustments:			
Asset impairment and exit costs	-	0.01	
Tax items	(0.01)	-	
<b>Adjusted Diluted EPS</b>	<b>\$ 1.24</b>	<b>\$ 1.39</b>	<b>(10.8)%</b>
Less:			
Currency impact	(0.37)		
<b>Adjusted Diluted EPS, excluding Currency</b>	<b>\$ 1.61</b>	<b>\$ 1.39</b>	<b>15.8%</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 Quarters Ended December 31,  
(\$ in millions)  
(Unaudited)

2015								2014			% Change in Net Revenues excluding Excise Taxes		
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisi- tions	Net Revenues excluding Excise Taxes, Currency & Acquisitions		Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 6,647	\$ 4,713	\$ 1,934	\$ (269)	\$ 2,203	\$ -	\$ 2,203	European Union	\$ 7,181	\$ 5,034	\$ 2,147	(9.9)%	2.6%	2.6%
4,420	2,703	1,717	(417)	2,134	-	2,134	EEMA	5,233	3,108	2,125	(19.2)%	0.4%	0.4%
4,786	2,867	1,919	(250)	2,169	-	2,169	Asia	4,740	2,737	2,003	(4.2)%	8.3%	8.3%
2,518	1,696	822	(160)	982	-	982	Latin America & Canada	2,787	1,865	922	(10.8)%	6.5%	6.5%
<b>\$ 18,371</b>	<b>\$ 11,979</b>	<b>\$ 6,392</b>	<b>\$ (1,096)</b>	<b>\$ 7,488</b>	<b>\$ -</b>	<b>\$ 7,488</b>	<b>PMI Total</b>	<b>\$ 19,941</b>	<b>\$ 12,744</b>	<b>\$ 7,197</b>	<b>(11.2)%</b>	<b>4.0%</b>	<b>4.0%</b>

2015								2014			% Change in Operating Companies Income		
Operating Companies Income		Less Currency	Operating Companies Income excluding Currency	Less Acquisi- tions	Operating Companies Income excluding Currency & Acquisitions			Operating Companies Income			Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 599		\$ (125)	\$ 724	\$ -	\$ 724	European Union		\$ 870			(31.1)%	(16.8)%	(16.8)%
704		(115)	819	-	819	EEMA		885			(20.5)%	(7.5)%	(7.5)%
465		(90)	555	-	555	Asia		573			(18.8)%	(3.1)%	(3.1)%
236		(63)	299	-	299	Latin America & Canada		296			(20.3)%	1.0%	1.0%
<b>\$ 2,004</b>		<b>\$ (393)</b>	<b>\$ 2,397</b>	<b>\$ -</b>	<b>\$ 2,397</b>	<b>PMI Total</b>		<b>\$ 2,624</b>			<b>(23.6)%</b>	<b>(8.7)%</b>	<b>(8.7)%</b>

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

2015							2014			% Change in Adjusted Operating Companies Income		
Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisitions	Adjusted Operating Companies Income excluding Currency & Acquisitions	Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions
\$ 599	\$ (68)	\$ 667	\$ (125)	\$ 792	\$ -	\$ 792	\$ 870	\$ (18)	\$ 888	(24.9)%	(10.8)%	(10.8)%
704	-	704	(115)	819	-	819	885	(2)	887	(20.6)%	(7.7)%	(7.7)%
465	-	465	(90)	555	-	555	573	(11)	584	(20.4)%	(5.0)%	(5.0)%
236	-	236	(63)	299	-	299	296	(1)	297	(20.5)%	0.7%	0.7%
<b>\$ 2,004</b>	<b>\$ (68)</b>	<b>\$ 2,072</b>	<b>\$ (393)</b>	<b>\$ 2,465</b>	<b>\$ -</b>	<b>\$ 2,465</b>	<b>\$ 2,624</b>	<b>\$ (32)</b>	<b>\$ 2,656</b>	<b>(22.0)%</b>	<b>(7.2)%</b>	<b>(7.2)%</b>

2015								2014			% 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	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
\$ 792	\$ 2,203	36.0%		\$ 792	\$ 2,203	36.0%	European Union	\$ 888	\$ 2,147	41.4%	(5.4)	(5.4)
819	2,134	38.4%		819	2,134	38.4%	EEMA	887	2,125	41.7%	(3.3)	(3.3)
555	2,169	25.6%		555	2,169	25.6%	Asia	584	2,003	29.2%	(3.6)	(3.6)
299	982	30.4%		299	982	30.4%	Latin America & Canada	297	922	32.2%	(1.8)	(1.8)
\$ 2,465	\$ 7,488	32.9%		\$ 2,465	\$ 7,488	32.9%	PMI Total	\$ 2,656	\$ 7,197	36.9%	(4.0)	(4.0)

(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 December 31,  
(Unaudited)

	2015	2014	% Change
<b>Reported Diluted EPS</b>	<b>\$ 0.80</b>	<b>\$ 1.03</b>	<b>(22.3)%</b>
Adjustments:			
Asset impairment and exit costs	0.03	-	
Tax items	(0.02)	-	
<b>Adjusted Diluted EPS</b>	<b>\$ 0.81</b>	<b>\$ 1.03</b>	<b>(21.4)%</b>
Less:			
Currency impact	(0.18)		
<b>Adjusted Diluted EPS, excluding Currency</b>	<b>\$ 0.99</b>	<b>\$ 1.03</b>	<b>(3.9)%</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, 2010

	Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Adjusted Operating Companies Income Margin
European Union	\$ 4,394	\$ (27)	\$ 4,421	\$ 29,305	\$ 20,202	\$ 9,103	48.6%
EEMA	3,069	-	3,069	14,673	7,556	7,117	43.1%
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

	Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Adjusted Operating Companies Income Margin
European Union	\$ 4,651	\$ (45)	\$ 4,696	\$ 31,274	\$ 21,731	\$ 9,543	49.2%
EEMA	3,138	(25)	3,163	15,946	8,396	7,550	41.9%
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>

Note: Restated data. In Q4, 2015, to further align with the Member State composition of the European Union, PMI transferred the management of its operations in Bulgaria, Croatia, Romania and Slovenia from its Eastern Europe, Middle East & Africa segment to its European Union segment, resulting in the reclassification of current and prior year amounts between the two segments



# 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

	Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Adjusted Operating Companies Income Margin
European Union	\$ 4,267	\$ (5)	\$ 4,272	\$ 28,707	\$ 19,874	\$ 8,833	48.4%
EEMA	3,646	(5)	3,651	17,903	9,878	8,025	45.5%
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

	Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Adjusted Operating Companies Income Margin
European Union	\$ 4,309	\$ (13)	\$ 4,322	\$ 29,656	\$ 20,770	\$ 8,886	48.6%
EEMA	3,708	(264)	3,972	19,342	10,866	8,476	46.9%
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>

Note: Restated data. In Q4, 2015, to further align with the Member State composition of the European Union, PMI transferred the management of its operations in Bulgaria, Croatia, Romania and Slovenia from its Eastern Europe, Middle East & Africa segment to its European Union segment, resulting in the reclassification of current and prior year amounts between the two segments

# 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, 2014

	Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Adjusted Operating Companies Income Margin
European Union	\$ 3,815	\$ (490)	\$ 4,305	\$ 30,517	\$ 21,370	\$ 9,147	47.1%
EEMA	4,033	(2)	4,035	20,469	11,855	8,614	46.8%
Asia	3,187	(35)	3,222	19,255	10,527	8,728	36.9%
Latin America & Canada	1,030	(8)	1,038	9,865	6,587	3,278	31.7%
<b>PMI Total</b>	<b>\$ 12,065</b>	<b>\$ (535)</b>	<b>\$ 12,600</b>	<b>\$ 80,106</b>	<b>\$ 50,339</b>	<b>\$ 29,767</b>	<b>42.3%</b>

For the Year Ended December 31, 2015

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

Note: Restated data. In Q4, 2015, to further align with the Member State composition of the European Union, PMI transferred the management of its operations in Bulgaria, Croatia, Romania and Slovenia from its Eastern Europe, Middle East & Africa segment to its European Union segment, resulting in the reclassification of current and prior year amounts between the two segments

# 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 Six Months Ended June 30, 2016**

	Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Adjusted Operating Companies Income Margin
European Union	\$ 1,976	\$ -	\$ 1,976	\$ 13,277	\$ 9,259	\$ 4,018	49.2%
EEMA	1,427	-	1,427	8,528	5,262	3,266	43.7%
Asia	1,527	-	1,527	9,901	5,800	4,101	37.2%
Latin America & Canada	453	-	453	4,123	2,776	1,347	33.6%
<b>PMI Total</b>	<b>\$ 5,383</b>	<b>\$ -</b>	<b>\$ 5,383</b>	<b>\$ 35,829</b>	<b>\$ 23,097</b>	<b>\$ 12,732</b>	<b>42.3%</b>

**For the Six Months Ended June 30, 2012**

	Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Adjusted Operating Companies Income Margin
European Union	\$ 2,182	\$ -	\$ 2,182	\$ 14,423	\$ 9,936	\$ 4,487	48.6%
EEMA	1,723	-	1,723	8,458	4,621	3,837	44.9%
Asia	2,771	-	2,771	10,494	4,862	5,632	49.2%
Latin America & Canada	486	(16)	502	4,684	3,072	1,612	31.1%
<b>PMI Total</b>	<b>\$ 7,162</b>	<b>\$ (16)</b>	<b>\$ 7,178</b>	<b>\$ 38,059</b>	<b>\$ 22,491</b>	<b>\$ 15,568</b>	<b>46.1%</b>

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

Reconciliation of Operating Cash Flow to Free Cash Flow  
(\$ in millions)  
(Unaudited)

	For the Year Ended December 31, 2015	
Net cash provided by operating activities <sup>(a)</sup>	\$	7,865
Less:		
Capital expenditures		960
Free Cash Flow	\$	6,905

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



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 Six Months Ended June 30, 2016	2015	2014	2013	For the Years Ended December 31, 2012	2011	2010	2009	2008	Cumulative Total 2008 ~ June 30, 2016
Net cash provided by operating activities <sup>(a)</sup>	\$ 2,836	\$ 7,865	\$ 7,739	\$ 10,135	\$ 9,421	\$ 10,529	\$ 9,437	\$ 7,884	\$ 7,935	\$ 73,781
Less:										
Capital expenditures	480	960	1,153	1,200	1,056	897	713	715	1,099	8,273
Free Cash Flow	\$ 2,356	\$ 6,905	\$ 6,586	\$ 8,935	\$ 8,365	\$ 9,632	\$ 8,724	\$ 7,169	\$ 6,836	\$ 65,508

	For the Six Months Ended June 30, 2016	2015	2014	2013	For the Years Ended December 31, 2012	2011	2010	2009	2008	Cumulative Total 2008 ~ June 30, 2016
Net Revenues	\$ 35,829	\$ 73,908	\$ 80,106	\$ 80,029	\$ 77,393	\$ 76,346	\$ 67,713	\$ 62,080	\$ 63,640	\$ 617,044
Less:										
Excise Taxes	23,097	47,114	50,339	48,812	46,016	45,249	40,505	37,045	37,935	376,112
Net Revenues excluding Excise Taxes	\$ 12,732	\$ 26,794	\$ 29,767	\$ 31,217	\$ 31,377	\$ 31,097	\$ 27,208	\$ 25,035	\$ 25,705	\$ 240,932
Free Cash Flow as a Percent of Net Revenues excluding Excise Taxes										27.2%

# PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

## Reconciliation of Non-GAAP Measures



PHILIP MORRIS  
INTERNATIONAL

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

	For the Year Ended							
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012 <sup>(a)</sup>	Dec 31, 2011 <sup>(a)</sup>	Dec 31, 2010 <sup>(a)</sup>	Dec 31, 2009 <sup>(a)</sup>	Dec 31, 2008
<b>Net Earnings</b>	\$ 7,032	\$ 7,658	\$ 8,850	\$ 9,154	\$ 8,879	\$ 7,498	\$ 6,552	\$ 7,150
Equity (income)/loss in unconsolidated subsidiaries, net	(105)	(105)	22	17	10	8	6	-
Provision for income taxes	2,688	3,097	3,670	3,833	3,653	2,826	2,691	2,787
Interest expense, net	1,008	1,052	973	859	800	876	797	311
Depreciation and amortization	754	889	882	898	993	932	853	842
Extraordinary, unusual or non-recurring expenses, net <sup>(b)</sup>	68	535	309	83	109	47	164	208
<b>Adjusted EBITDA</b>	<b>\$ 11,445</b>	<b>\$ 13,126</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>
	<b>Dec 31, 2015</b>	<b>Dec 31, 2014</b>	<b>Dec 31, 2013</b>	<b>Dec 31, 2012<sup>(a)</sup></b>	<b>Dec 31, 2011<sup>(a)</sup></b>	<b>Dec 31, 2010<sup>(a)</sup></b>	<b>Dec 31, 2009<sup>(a)</sup></b>	<b>Dec 31, 2008</b>
Short-term borrowings	\$ 825	\$ 1,208	\$ 2,400	\$ 2,419	\$ 1,511	\$ 1,747	\$ 1,662	\$ 375
Current portion of long-term debt	2,405	1,318	1,255	2,781	2,206	1,385	82	209
Long-term debt	25,250	26,929	24,023	17,639	14,828	13,370	13,672	11,377
<b>Total Debt</b>	<b>\$ 28,480</b>	<b>\$ 29,455</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	3,417	1,682	2,154	2,983	2,550	1,703	1,540	1,531
<b>Net Debt</b>	<b>\$ 25,063</b>	<b>\$ 27,773</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>
<b>Ratios:</b>								
<b>Total Debt to Adjusted EBITDA</b>	<b>2.49</b>	<b>2.24</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>Net Debt to Adjusted EBITDA</b>	<b>2.19</b>	<b>2.12</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>

(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