PHILIP MORRIS INTERNATIONAL

Consumer Analyst Group of Europe (CAGE) Conference
March 28, 2011

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Forward-Looking and Cautionary Statements

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- This presentation and related discussion contain statements that, to the extent they do not relate strictly to historical or current facts, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current plans, estimates and expectations, and are not guarantees of future performance. They are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. PMI undertakes no obligation to publicly update or revise any forward-looking statements, except in the normal course of its public disclosure obligations. The risks and uncertainties relating to the forward-looking statements in this presentation include those described under Item 1A. “Risk Factors” in PMI’s Form 10-K for the year ended December 31, 2010, filed with the Securities and Exchange Commission

PMI Japan – Update

- All employees safe. Company's Tokyo HQ re-opened March 24
- No material damage to company assets reported
- PMI's Japanese volume produced outside the country. Normal unloading of shipments at ports in Tokyo and Kobe
- Four of 28 third-party distribution centers, supplying approximately 12% of PMI Japan's total annual sales, not operational. During week of March 28, two of these four centers expected to resume operations and alternative distribution arrangements expected to be in place for the remaining two. Distribution in unaffected areas is normal
- PMI does not expect recent events to have an effect on previously announced industry volume expectation in 2011; no material negative impact to PMI's profitability in Japan

PMI Strengths

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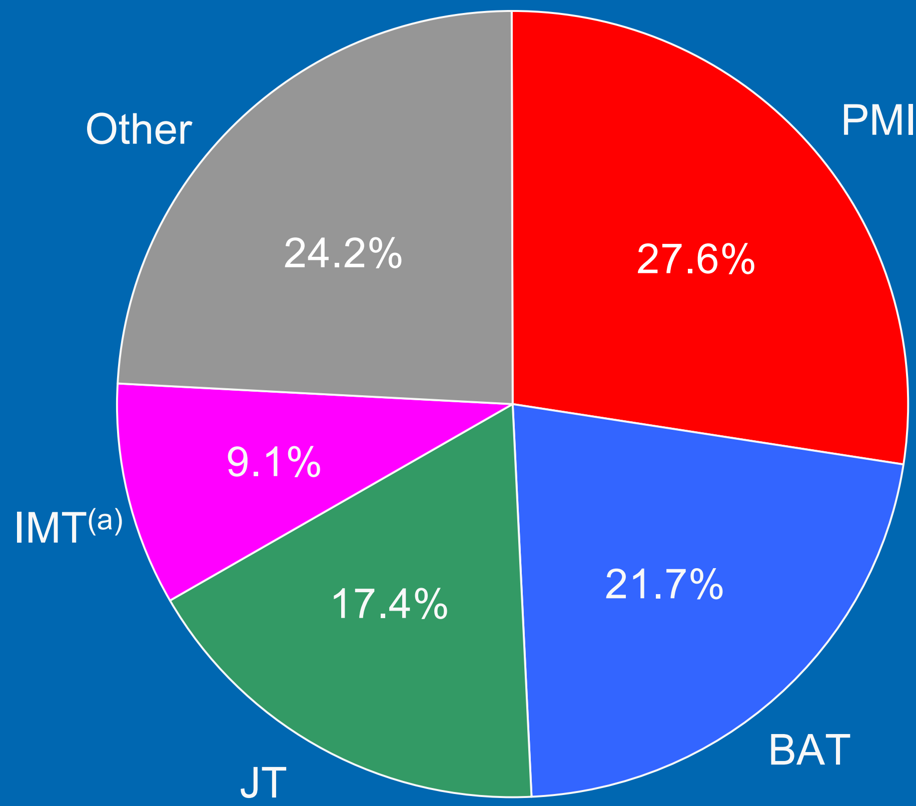
- Leadership in both OECD <u>and</u> non-OECD markets
- Superior brand portfolio, led by a re-invigorated *Marlboro*
- Strong pricing power, due to brand leadership and broad portfolio
- Limited input cost increases, largely covered by productivity gains and cost savings
- Best in class operational efficiency
- Strong, consistent double-digit EPS growth, net of currency
- Growing cash flow
- Strong balance sheet and liquidity
- Dividend and share repurchase program

International Cigarette Industry Market Shares



2010: 3.3 trillion cigarettes(b)

(a) Volumes are on a calendar year basis, except for IMT, which reports on a fiscal year ending September 30th
(b) Excluding China and USA
Source: PMI estimates

2010 Key Competitor Share by Region[a]

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	EU	EEMA	ASIA[b]	LA&C	Total[b]
PMI	39%	23%	25%	36%	28%
BAT	19%	22%	15%	49%	22%
JT	16%	23%	15%	4%	17%
IMT	21%	12%	3%	1%	9%
Others	5%	20%	42%	10%	24%

(a) Excluding China, USA and duty-free
(b) Pro forma to reflect PMI's transaction with Fortune Tobacco Corp. in the Philippines
Source: PMI estimates

PMI Leadership in Non-OECD and OECD(a)

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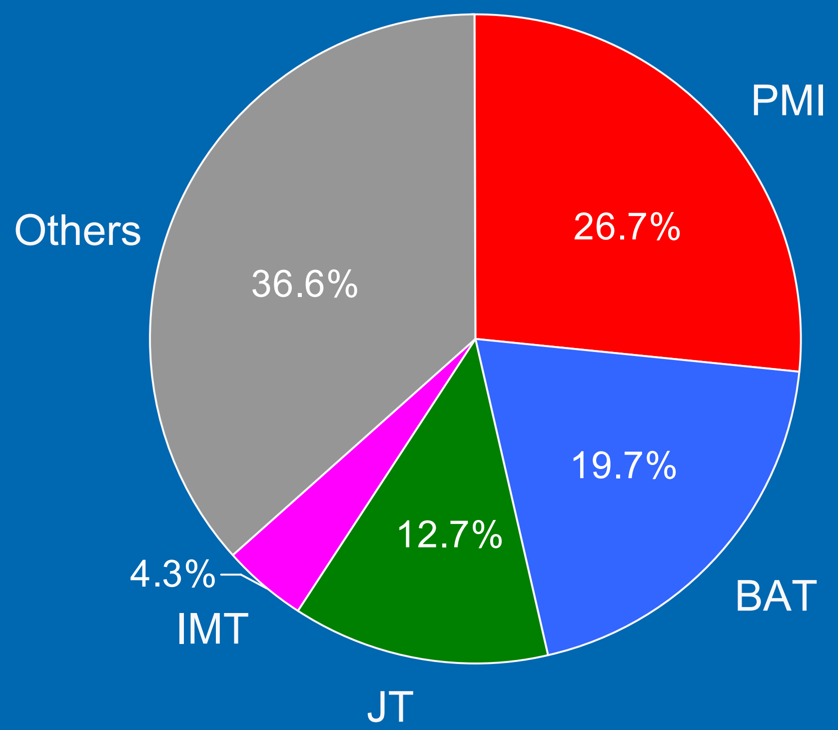
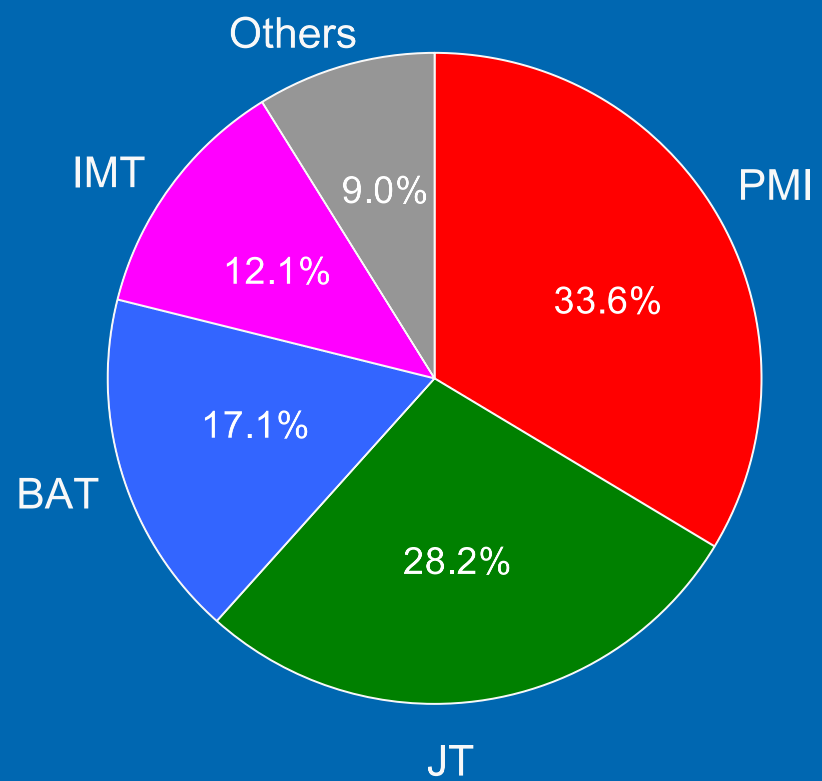
Market Shares (2010)



Top 10 Non-OECD Markets

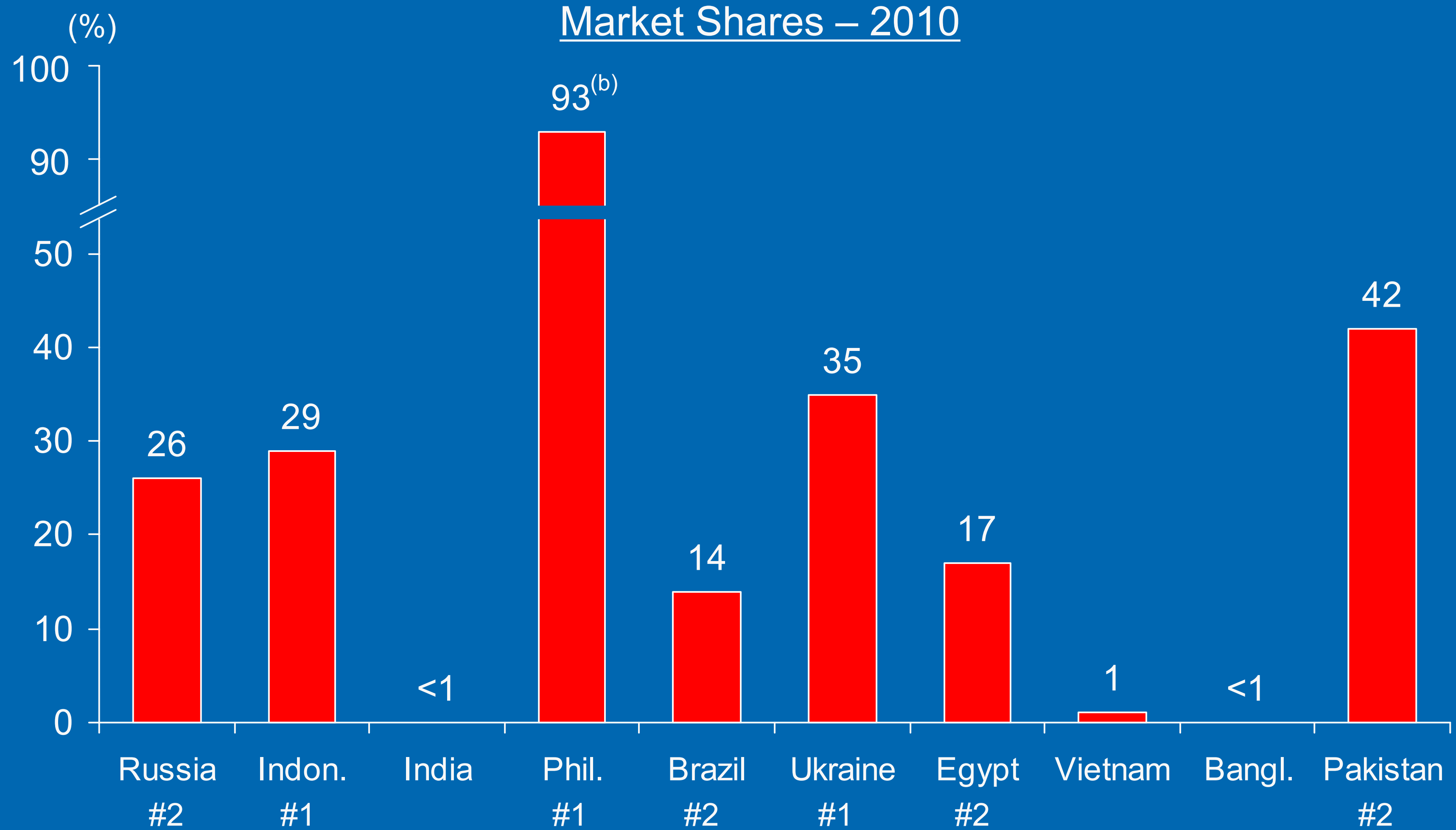


Top 10 OECD Markets

(a) Top 10 Non-OECD and OECD markets ranked by 2010 industry volume, excluding China, USA and duty-free
Note: For a full list of Organisation for Economic Co-Operation and Development ("OECD") member countries, visit www.oecd.org
Source: PMI estimates and A.C. Nielsen

PMI Market Share Leadership in Non-OECD Markets[a]

Market Shares – 2010



(a) Top 10 ranked by 2010 industry volume, excluding China and duty-free
(b) Pro forma to reflect PMI's business combination with Fortune Tobacco Corporation
Note: Indon. is Indonesia, Phil. is Philippines and Bangl. is Bangladesh
Source: PMI estimates and A.C. Nielsen

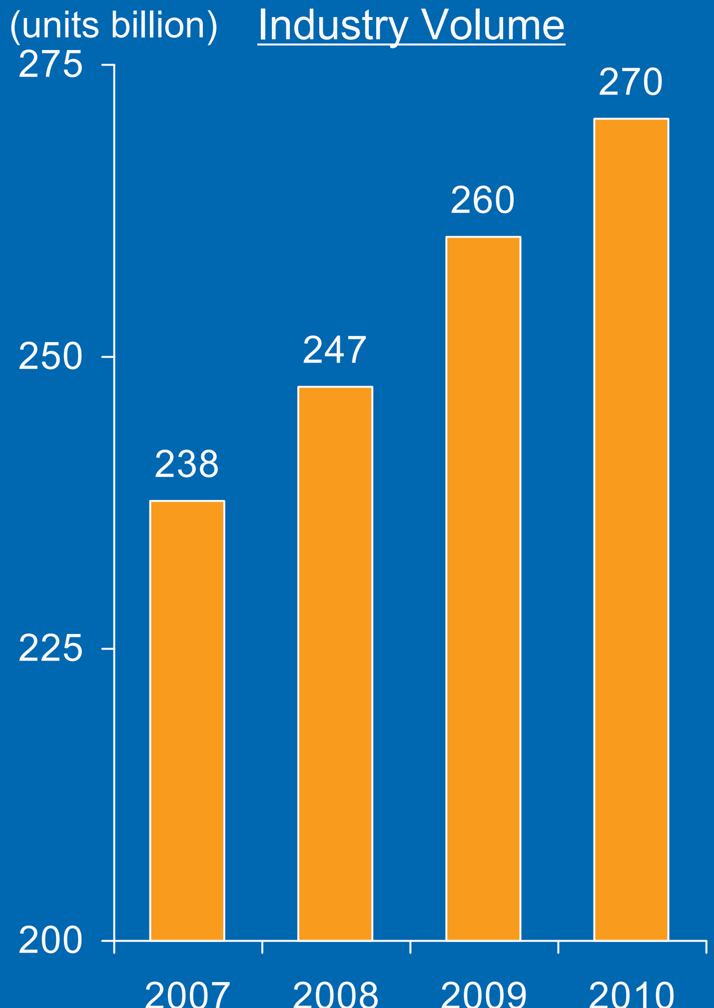
Russia

- Industry volume estimated to have been stable in Q4, 2010
- Moderate consumer uptrading in H2, 2010, mainly from super-low to low-price segment
- PMI increased prices by Rbls 3-4/pack in December 2010, which more than offset the January 2011 excise tax increase
- The price increases should boost profitability but may delay consumer up-trading to mid-price and premium

(a) Totals may not add due to rounding
Source: A.C. Nielsen

Indonesia

- Industry volume grew by 3.9% in 2010
- PMI market share essentially stable at 29.1% in 2010
- PMI's *Sampoerna A* (*A Mild* family) the best selling brand with 11.7% market share in 2010
- Simplification of excise tax system and elimination of "loopholes" on track, but will take time before full and effective implementation

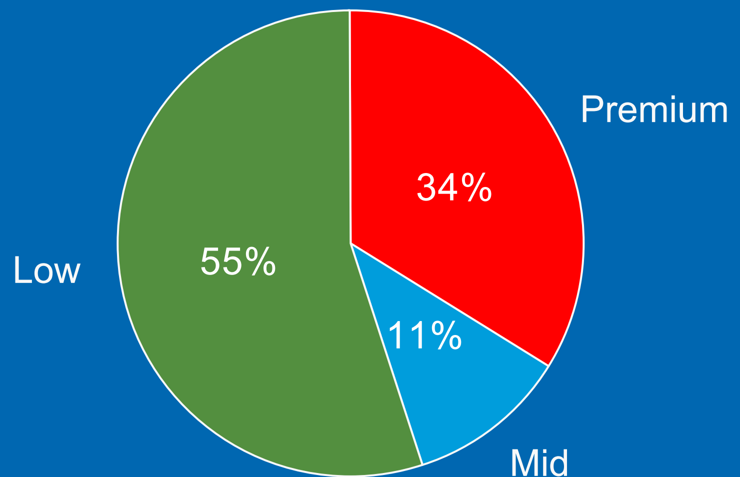


Source: PMI estimates

Philippines

- Business combination with FTC in the Philippines in February 2010:
  - favorable demographic profile and increasing purchasing power
  - synergies
  - long-term income growth potential
- Industry volume reached 101 billion units in 2010 and PMI's pro-forma share was 92.8%

Price Segments (2010)



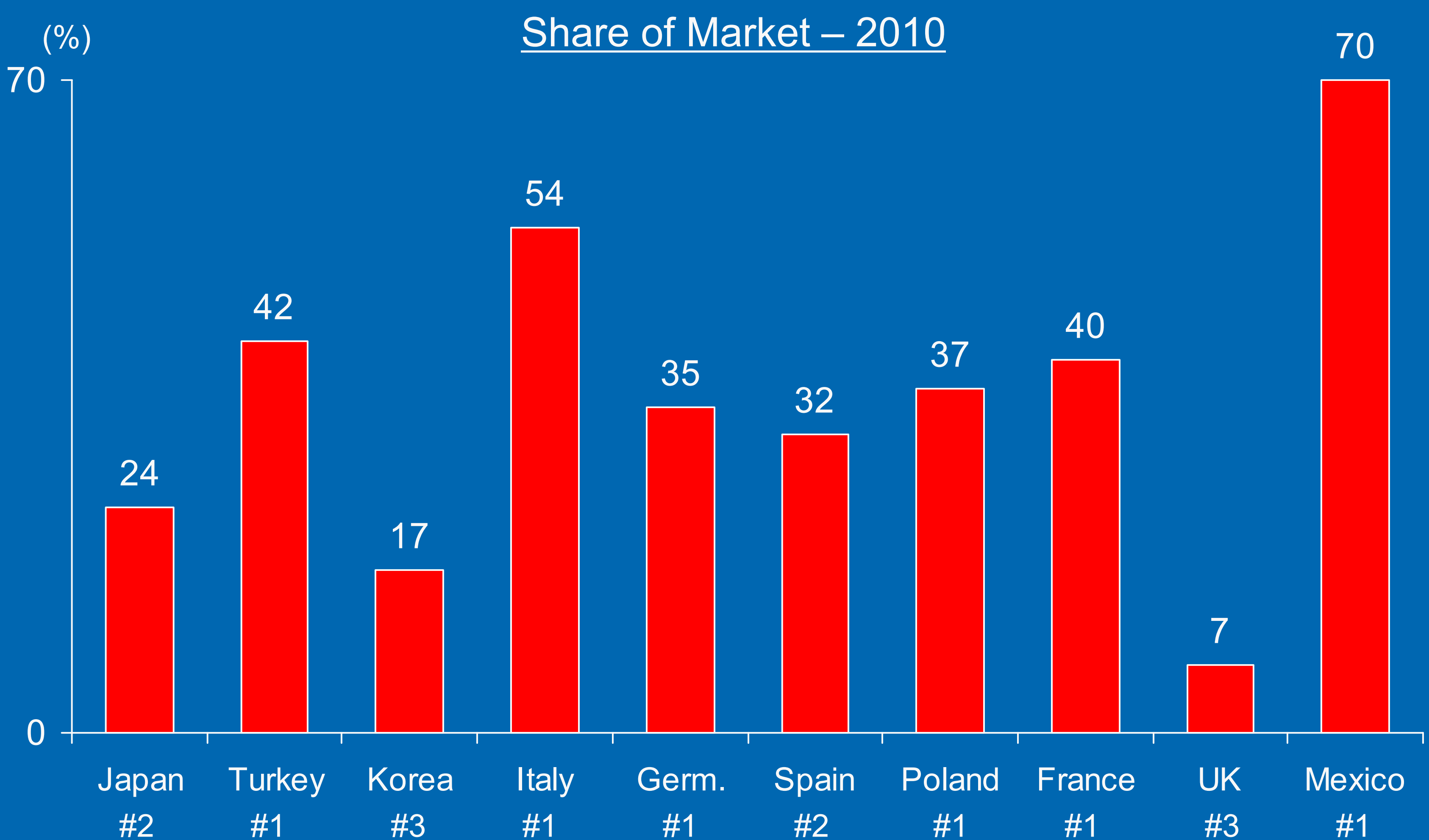
Source: PMI estimates

Consumer Uptrading

	Premium Share of Market[a]		
	2007	2010	Variance
Algeria	7.6 %	18.5 %	10.9 pp
Egypt	5.9	7.4	1.5
Russia	14.5	15.9	1.4
Turkey	18.5	17.9	(0.6)
Bangladesh	4.4	5.8	1.4
India	6.4	9.2	2.8
Indonesia	22.9	23.7	0.8
Pakistan	9.8	11.4	1.6
Philippines	26.1	34.3	8.2
Argentina	32.1	34.3	2.2
Brazil	20.2	23.1	2.9
Mexico	59.3	61.3	2.0

(a) Includes above premium
Source: PMI estimates and A.C. Nielsen

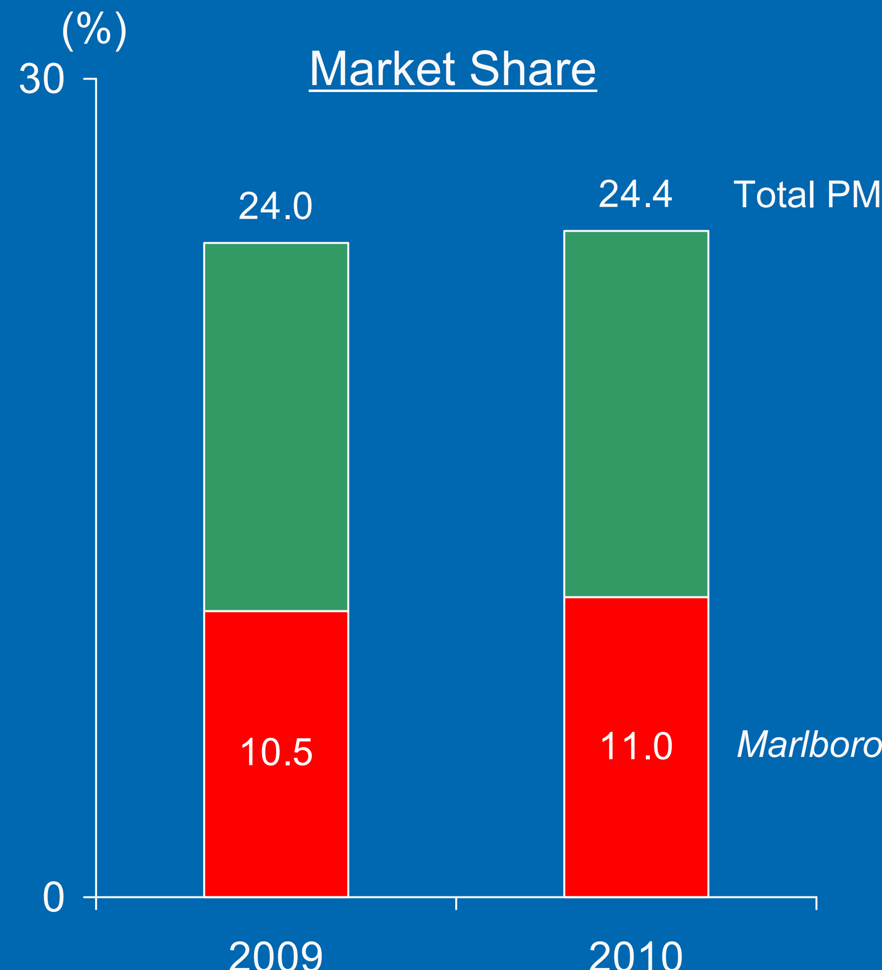
PMI Leadership in OECD markets[(a)]



(a) Top 10 ranked by 2010 industry volume, excluding USA and duty-free
Note: Germ. is Germany
Source: Tobacco Institute of Japan, A.C. Nielsen, Hankook Research and PMI estimates

Japan

- Tax-driven retail price increase of 38% (for *Marlboro*) in October 2010
- Strong *Marlboro* momentum

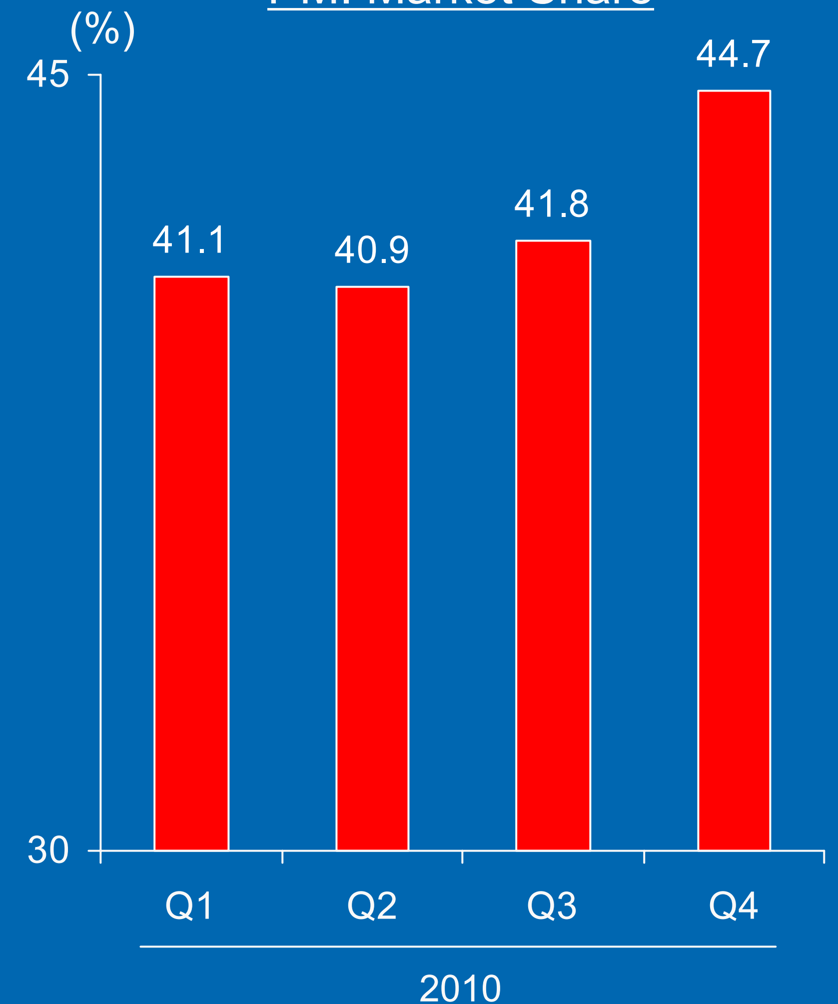


Source: Tobacco Institute of Japan

Turkey

- Disruptive January 2010 excise tax increase negatively impacted industry volume (-13.2% in 2010) and resulted in consumer downtrading
- PMI share started to recover in the second half of 2010, though the mix remains unfavorable
- No tax increase in January 2011: market expected to slowly recover

PMI Market Share

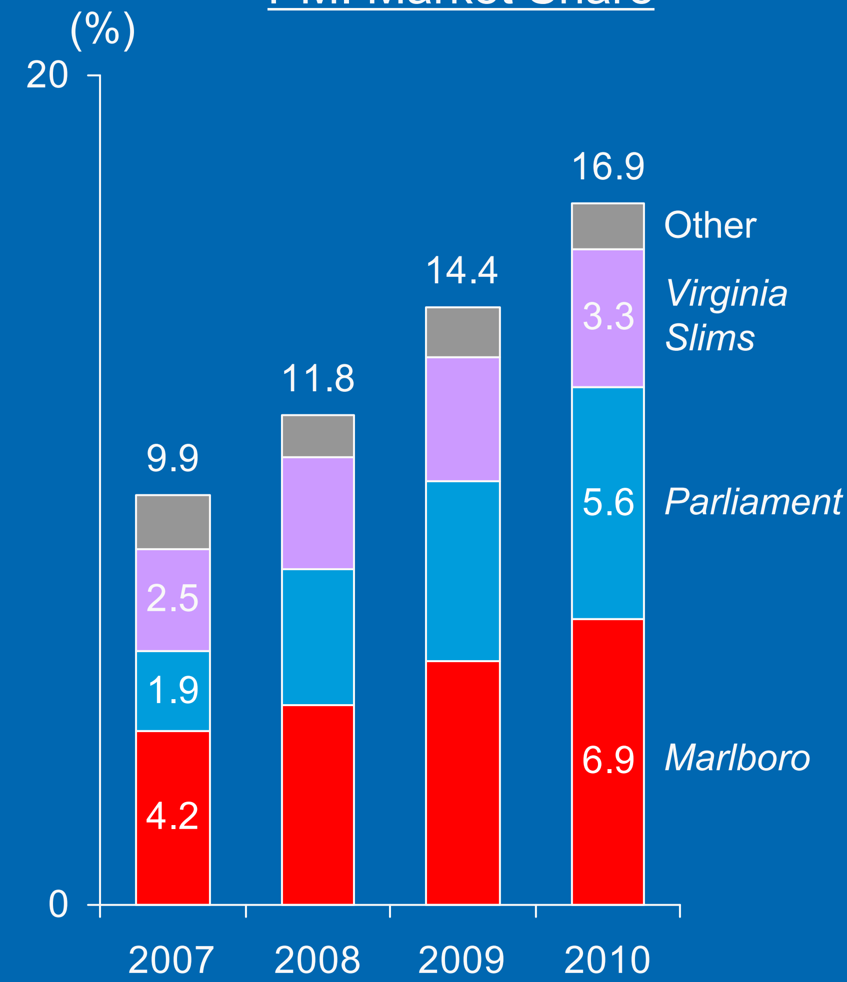


Source: A.C. Nielsen

Korea

- Industry volume declined by 4.5% in 2010 to 91 billion units
- PMI volume up 12.3% over same period:
  - increasing consumer preference for international brands
  - PMI has the strongest brand portfolio with *Marlboro*, *Parliament* and *Virginia Slims*

PMI Market Share



Source: PMI Financials and Hankook Research

Germany

- Competition started discounting "big" (23-25 cigs) and "maxi" (26-30 cigs) packs in May 2010
- PMI followed later with *L&M* and only in October with *Marlboro*
- Initial results from Q4, 2010 encouraging
- First stage of five-year excise tax plan in May, 2011
- PMI announced price increases above tax pass-on

Cigarette Market Shares

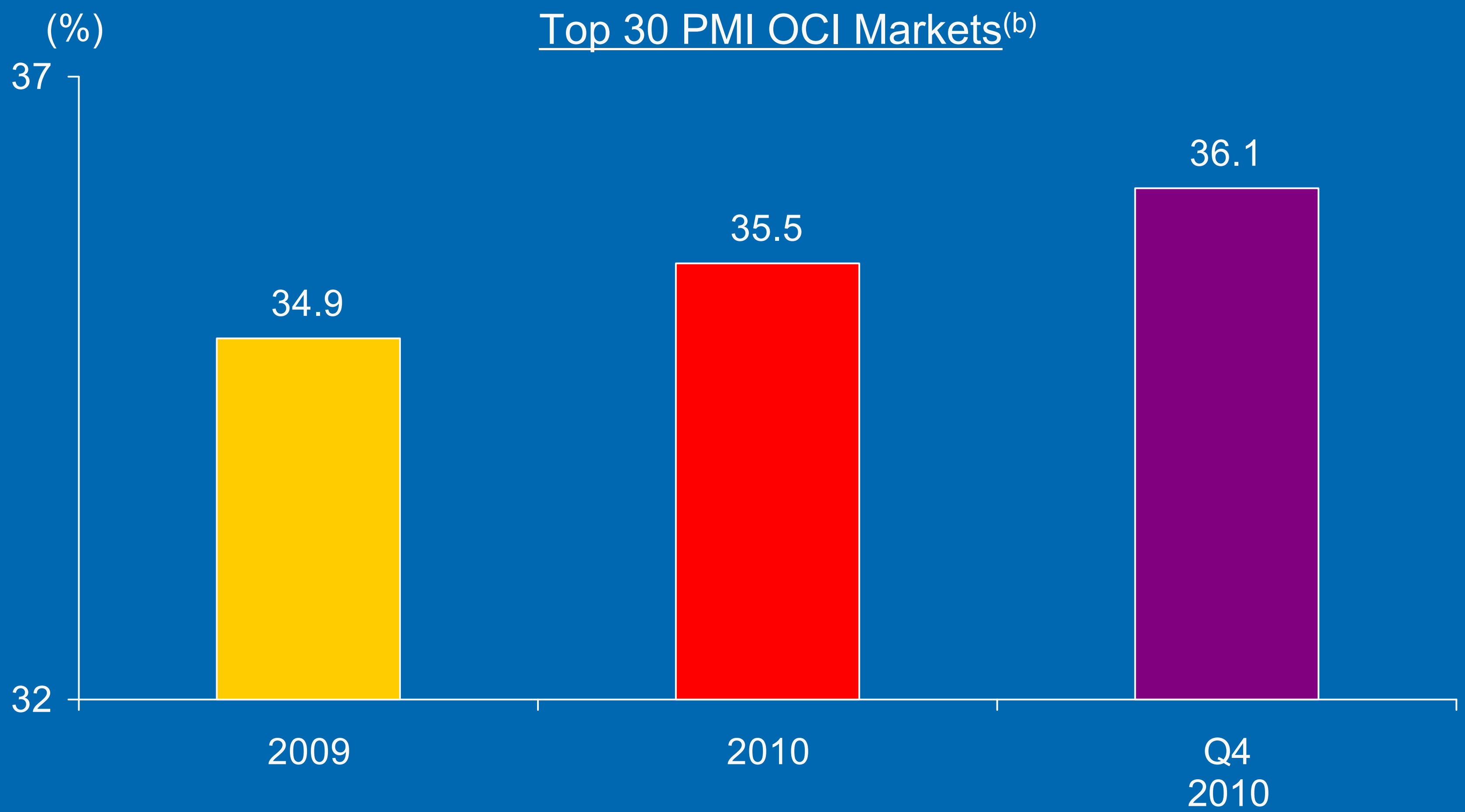
(%)	Q4 2010	Variance vs. PQ	Variance vs. PY
Marlboro	21.6	0.5	(0.7)
L&M	9.6	0.4	0.8
Other	4.6	-	(0.4)
Total PMI	35.8	0.9	(0.4)[(a)]

Retail Selling PMG Prices

(EUR)	Old	New	% Increase
Marlboro	4.70 / 19	4.90 / 19	4.3%
	5.90 / 24	5.90 / 23	4.3
	6.90 / 29	6.90 / 28	3.6
L&M	4.30 / 19	4.50 / 19	4.7
	5.00 / 23	5.00 / 22	4.5
	6.00 / 28	6.00 / 27	3.7

(a) Totals may not foot due to rounding
Source: PMI estimates

PMI Market Share Developments[a]



(a) Excluding USA and China
(b) OCI stands for Operating Companies Income, which is defined as operating income before general corporate expenses and the amortization of intangibles. OCI growth rates are on an adjusted basis which excludes asset impairment, exit and other costs

Note: Historical data adjusted for pro-forma inclusion of business combination with Fortune Tobacco in the Philippines

Source: PMI estimates

Marlboro – Regional Market Shares

(a) Excluding China
Source: PMI estimates

Marlboro Architecture and Innovation

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Flavor Line: “Flavor enjoyment”

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Gold Line: “Smooth taste and style”

Marlboro Architecture and Innovation

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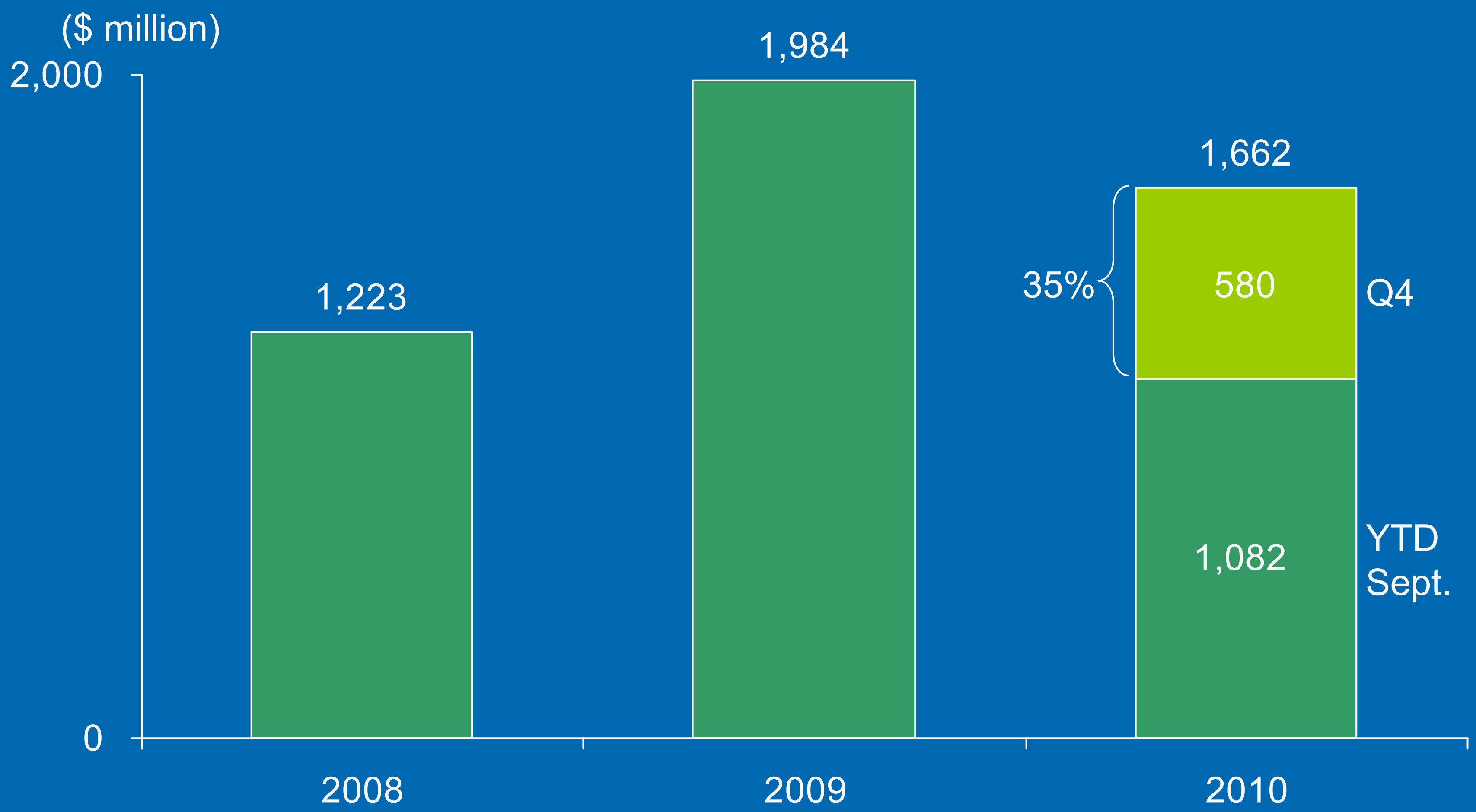
Fresh Line: “Fresh taste sensations”

Pricing Variance



Source: PMI Financials

Costs and Productivity Savings

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- The demand and supply for tobacco leaf is now broadly balanced and increases in leaf prices this year are expected to be in line with inflation
- Impact at the P&L level from previous crops should be no higher than in 2010
- Target of $250 million in pretax savings from productivity programs in 2011
- Some increases in direct material costs and salaries

Excise Taxation

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- Rate of increase and structure are of paramount importance
- Most governments implement regular and reasonable rate increases or participate in price increases through ad-valorem tax elements:
  - Government revenues are both enhanced and more predictable
  - Manageable from industry perspective
- From time to time, some governments implement unreasonable excise tax increases that are disruptive and often have unintended consequences, such as encouraging contraband and counterfeit:
  - Australia, Greece, Japan, Romania and Turkey in 2010
  - Mexico in 2011
- New EU Excise Tax Directive provides:
  - Reasonable framework through 2018
  - Manageable increases in minimum excise tax incidence and yields
  - Provides EU governments with greater structural flexibility
- Structural excise tax improvements in 2011 in France, Greece, the Netherlands, Sweden and the UK

Regulations

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- PMI has successfully managed to adapt to:
  - Public smoking restrictions
  - Marketing constraints
  - Ban on descriptors (e.g. “Lights”)
  - Graphic health warning labels
- Current proposals increasingly devoid of scientific basis:
  - Ingredient bans
  - Display bans
  - Plain packaging

Cumulative Operating Cash Flow (2008-2010)

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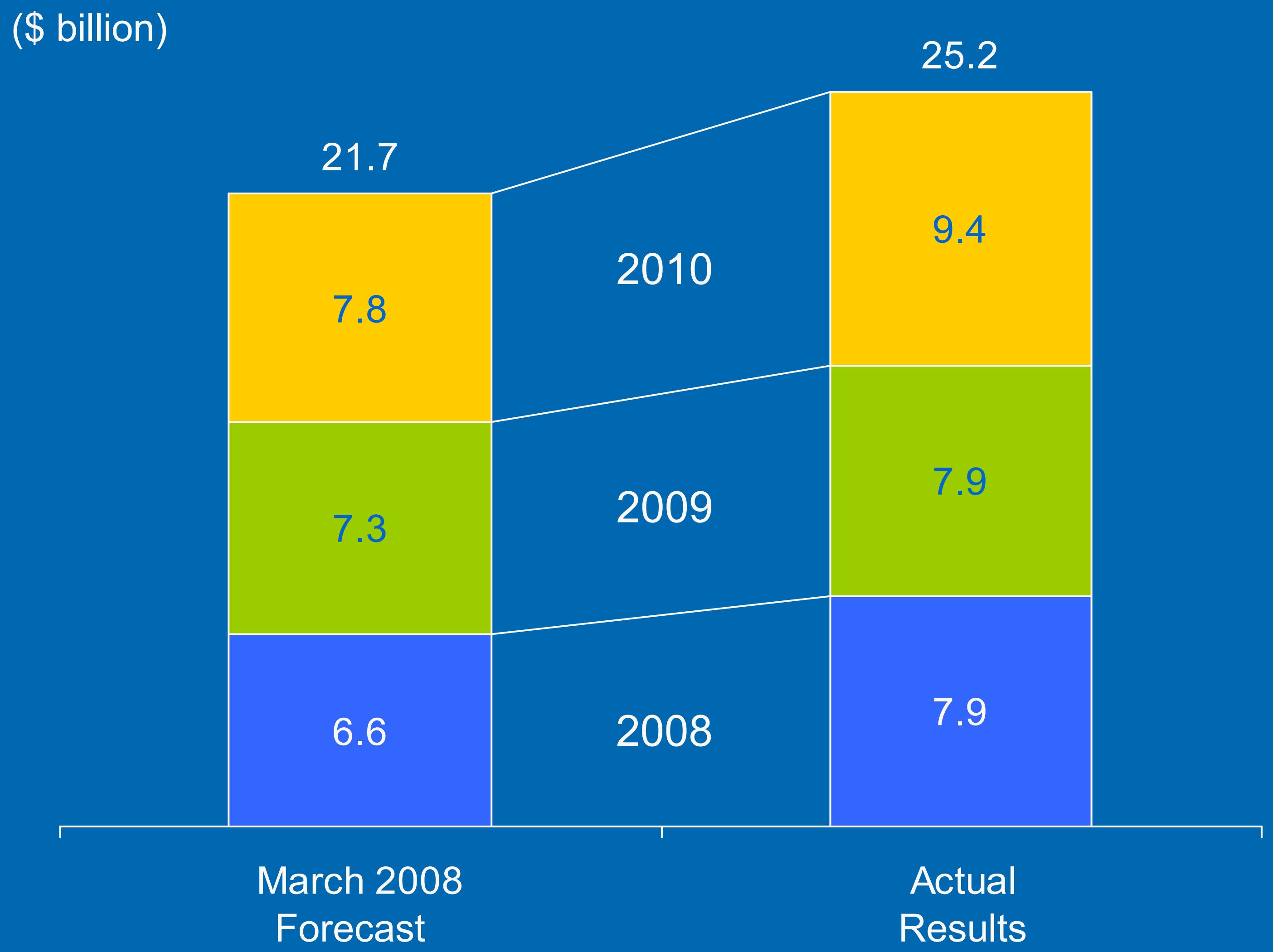

Source: PMI Financials

Use of Cash Flow 2008-2010

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Free Cash Flow[(a)]
$22.7 billion

Net Debt Issuance and Other
$9.2 billion

Cash Available

$31.9 billion

Share Repurchases	Dividends[(b)]	Acquisitions
$16.0 billion	$13.8 billion	$2.2 billion
50%	43%	7%

(a) Free cash flow is defined as net cash provided by operating activities less capital expenditures
(b) Including dividend paid in April 2008 to Altria Group, Inc.
Note: Totals may not add due to rounding
Source: PMI Financials

Dividend Increases Since Spin[(a)]

(a) Dividends for 2008 and 2010 are annualized rates. 2008 annualized rate is based on a quarterly dividend of $0.46 per common share, declared June, 18, 2008. 2010 annualized rate is based on a quarterly dividend of $0.64 per common share, declared September 10, 2010

Source: PMI company reports

Share Repurchase Program

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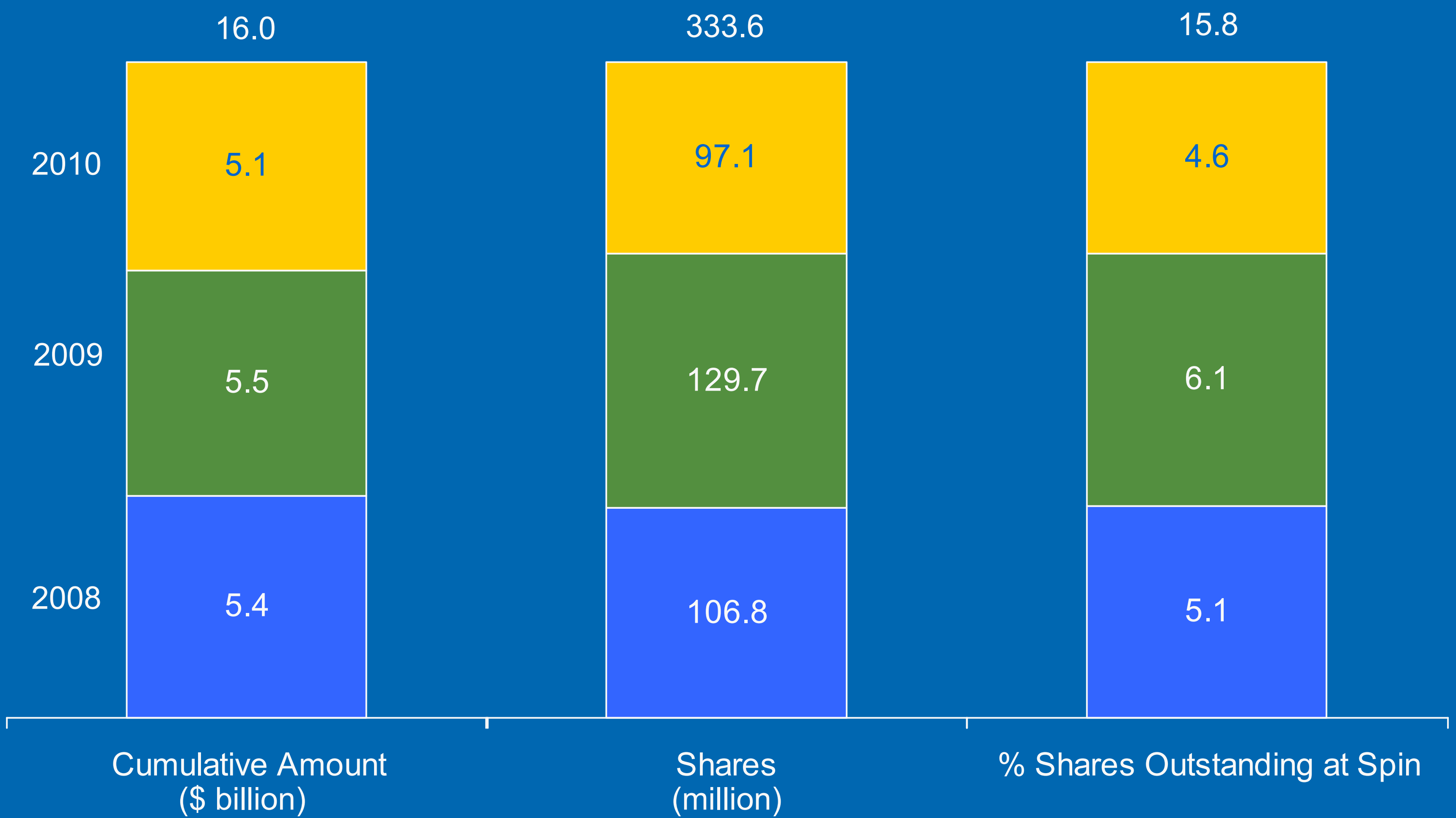

Note: The outstanding PMI shares at the time of the spin were 2,109 million
Source: PMI Financials

We Consistently Deliver Targeted EPS Growth

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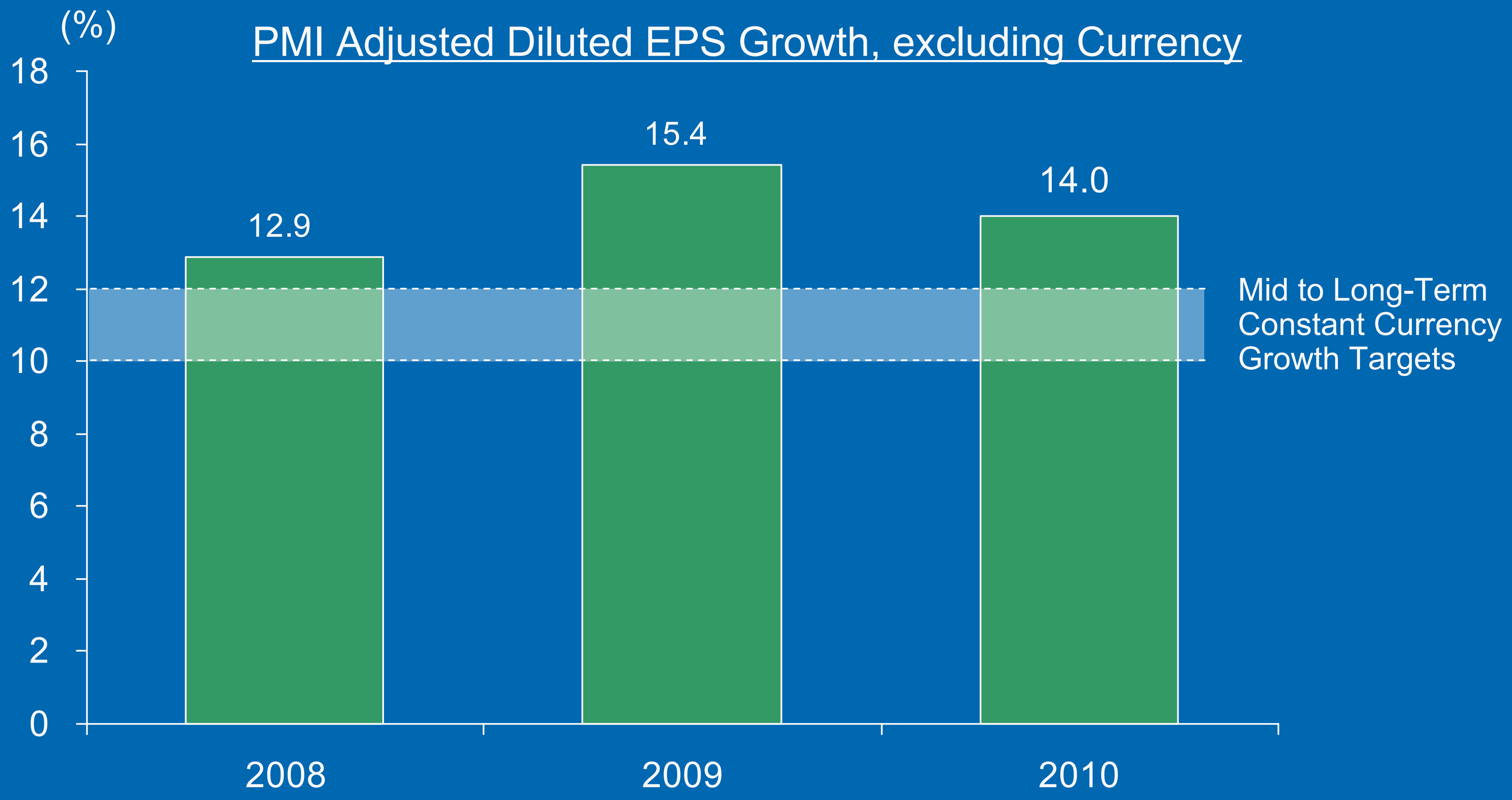
PMI Adjusted Diluted EPS Growth, excluding Currency



Source: PMI Financials

Total Shareholder Return ($) – Weighted Average

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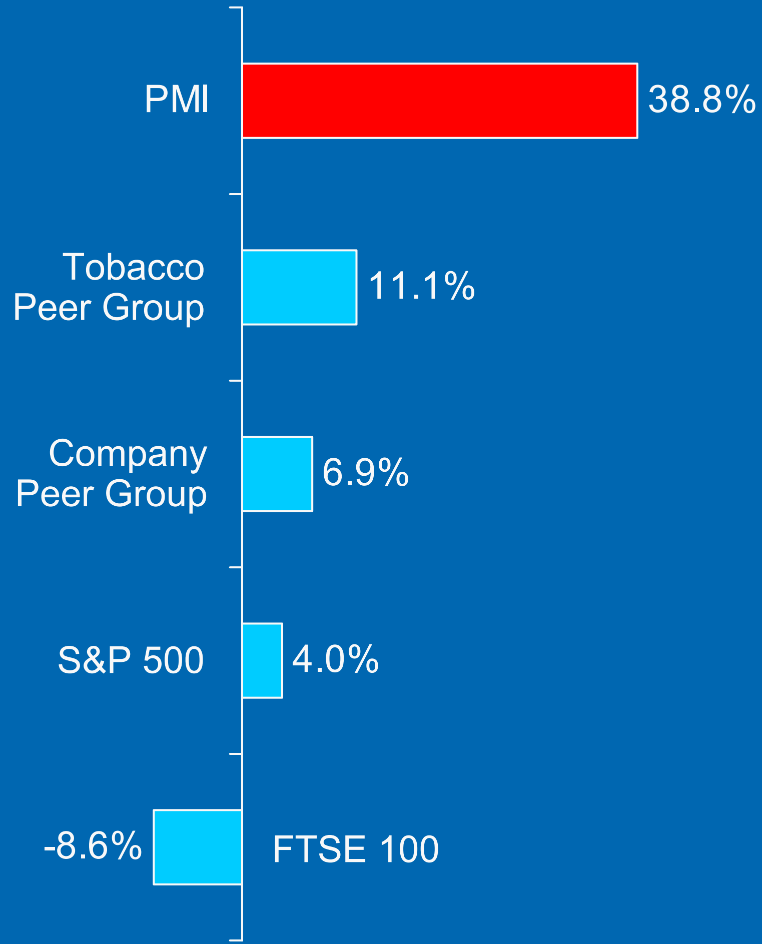
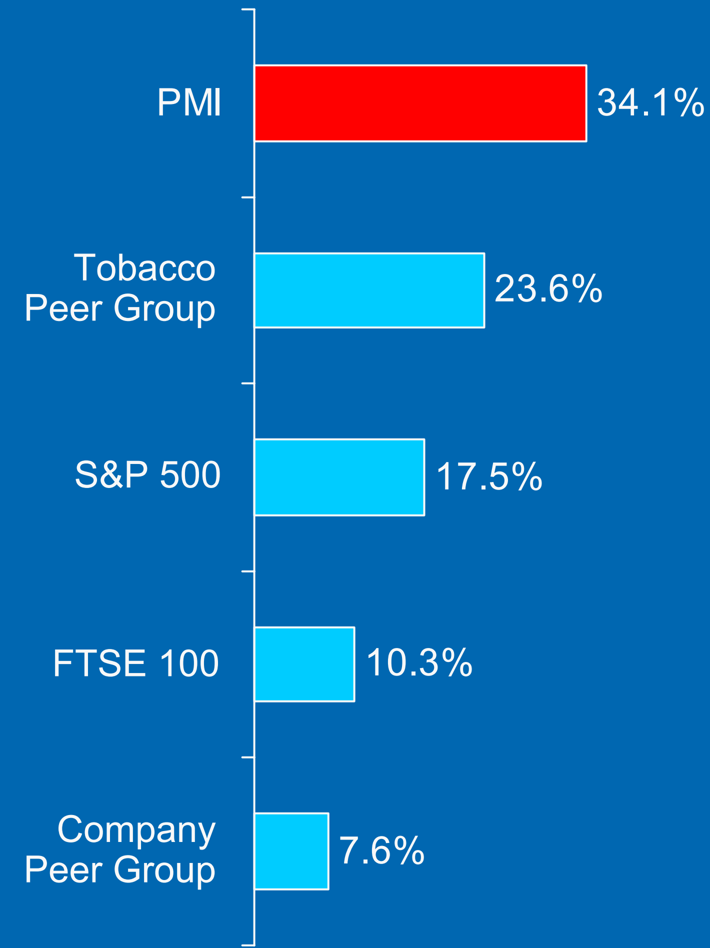
March 28, 2008 – March 18, 2011



January 1, 2010 – March 18, 2011



Note: Peer groups represent the weighted average return of the group. PMI pro-forma for additional $0.46 per share dividend paid in April 2008, for period of March 28, 2008 to March 18, 2011

Source: FactSet, compiled by Centerview

Why We Are an Attractive Investment

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

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QUESTIONS & ANSWERS

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries
Reconciliation of Non-GAAP Measures

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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
Reported Diluted EPS	**$ 3.92**	**$ 3.24**	**21.0%**
Adjustments:			
Colombian investment and cooperation agreement charge	-	0.04	
Tax items	(0.07)	-	
Asset impairment and exit costs	0.02	0.01	
Adjusted Diluted EPS	**$ 3.87**	**$ 3.29**	**17.6%**
Less:			
Currency Impact	0.12		
Adjusted Diluted EPS, excluding Currency	**$ 3.75**	**$ 3.29**	**14.0%**

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)

	2009		2008		% Change
Reported Diluted EPS	**$**	**3.24**	**$**	**3.31**	**(2.1)%**
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	
Adjusted Diluted EPS	**$**	**3.29**	**$**	**3.31**	**(0.6)%**
Less:					
Currency Impact		(0.53)			
Adjusted Diluted EPS, Excluding Currency	**$**	**3.82**	**$**	**3.31**	**15.4%**

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,
($ in millions)
(Unaudited)

2008						2007					% Change on Diluted Earnings Per Share	
Reported [1][3]	Less Asset Impairment & Exit Costs / Others	Adjusted	Less Currency	Adjusted excluding Currency		Reported [1][3]	Less Asset Impairment & Exit Costs / Others	Adjusted	Pro-Forma [2] Adjustments	Adjusted Pro-Forma	Adjusted	Adjusted excluding Currency
$ 3.31	-	$ 3.31	0.15	$ 3.16	Diluted Earnings Per Share	$ 2.86	(0.03)	$ 2.89	(0.09)	$ 2.80	18.2%	12.9%

(1) Refer to schedule 11 and 12 in the 2008 Full Year Earnings Release
(2) For details on the pro-forma adjustments, please refer to schedule 14 in the 2008 Full Year Earnings Release
(3) 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

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

	For the Years Ended December 31,			Cumulative Total
	2010	**2009**	**2008**	**2008-2010**
Net cash provided by operating activities[(a)]	**$ 9,437**	**$ 7,884**	**$ 7,935**	**$ 25,256**
Less:				
Capital expenditures	713	715	1,099	**2,527**
Free cash flow	**$ 8,724**	**$ 7,169**	**$ 6,836**	**$ 22,729**

(a) Operating cash flow

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