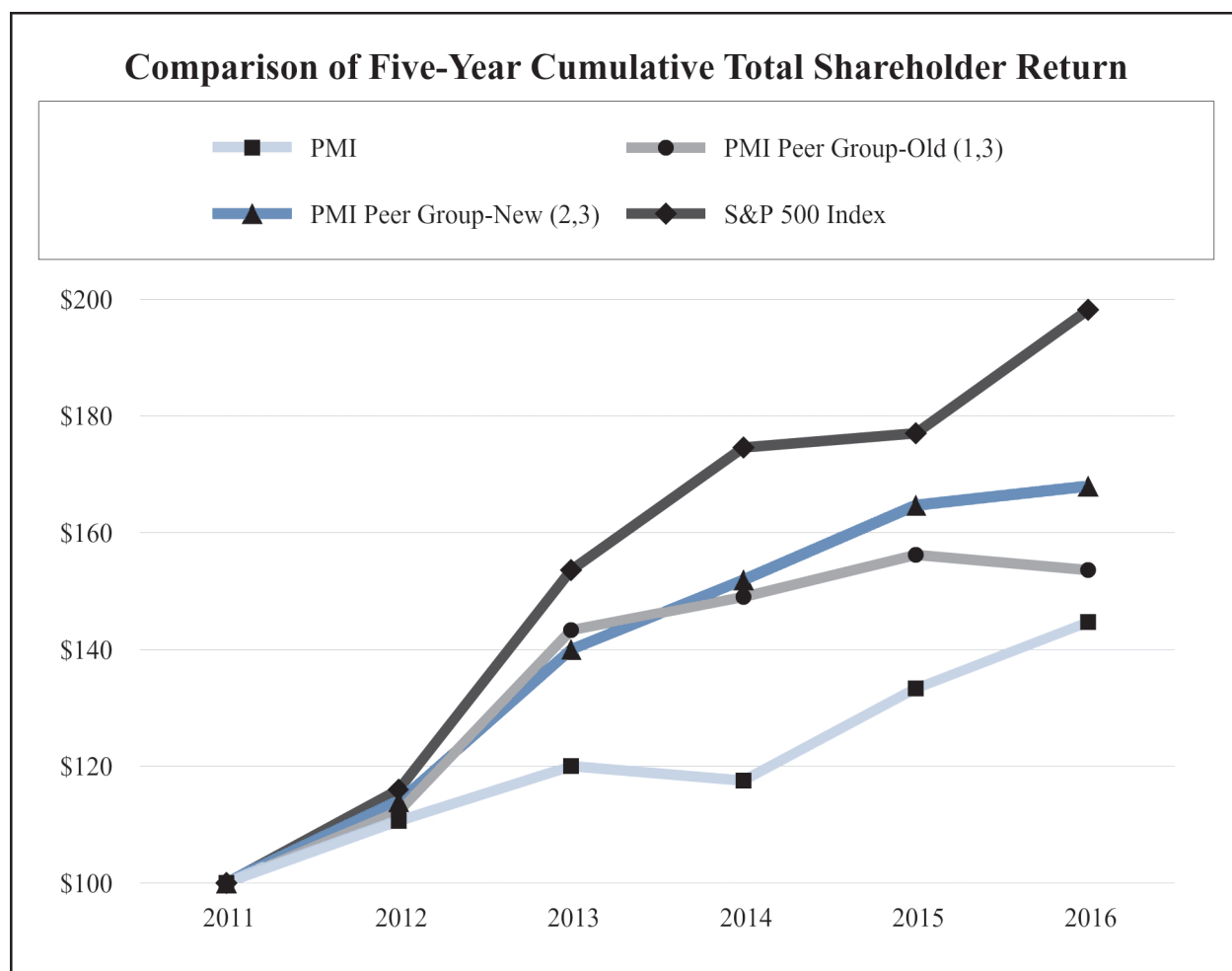


## Performance Graph

The graph below compares the cumulative total shareholder return on PMI's common stock with the cumulative total return for the same period of PMI's Peer Groups (Old and New) and the S&P 500 Index. The graph assumes the investment of \$100 as of December 31, 2011, in PMI common stock (at prices quoted on the New York Stock Exchange) and each of the indices as of the market close and reinvestment of dividends on a quarterly basis.



Date	PMI	PMI Peer Group-Old <sup>(1,3)</sup>	PMI Peer Group-New <sup>(2,3)</sup>	S&P 500 Index
December 31, 2011	\$100.00	\$100.00	\$100.00	\$100.00
December 31, 2012	\$110.60	\$112.30	\$113.90	\$116.00
December 31, 2013	\$120.00	\$143.30	\$140.00	\$153.60
December 31, 2014	\$117.50	\$149.00	\$151.90	\$174.60
December 31, 2015	\$133.30	\$156.20	\$164.70	\$177.00
December 31, 2016	\$144.70	\$153.60	\$168.00	\$198.20

<sup>(1)</sup> The PMI Peer Group-Old (formerly, the PMI Compensation Survey Group) consists of the following companies with substantial global sales that are direct competitors; or have similar market capitalization; or are primarily focused on consumer products (excluding high technology and financial services); and are companies for which comparative executive compensation data are readily available: Bayer AG, British American Tobacco p.l.c., The Coca-Cola Company, Diageo plc, GlaxoSmithKline, Heineken N.V., Imperial Brands PLC (formerly, Imperial Tobacco Group PLC), Johnson & Johnson, McDonald's Corp., Mondelēz International, Inc., Nestlé S.A., Novartis AG, PepsiCo, Inc., Pfizer Inc., Roche Holding AG, Unilever NV and PLC and Vodafone Group Plc.

<sup>(2)</sup> In 2016, PMI determined that it should use a single customized peer group both to benchmark its compensation programs and to compare its Total Shareholder Return when calculating its Performance Share Unit performance factor. The new Peer Group was established based on a review of four characteristics: global presence; a focus on consumer products; and net revenues and a market capitalization of a similar size to those of PMI. The review also considered the primary international tobacco companies. As a result of this review, Altria Group, Inc., Anheuser-Busch InBev SA/NV, Colgate-Palmolive Co., Japan Tobacco Inc., Kimberly-Clark Corporation, The Kraft-Heinz Company, The Procter & Gamble Company and Reynolds American Inc. were added to the new Peer Group and Bayer AG, GlaxoSmithKline, Novartis AG, Pfizer Inc. and Vodafone Group Plc. were removed.

<sup>(3)</sup> On October 1, 2012, Mondelēz International, Inc., formerly Kraft Foods Inc., announced that it had completed the spin-off of its North American grocery business, Kraft Foods Group, Inc. Mondelēz International, Inc. was retained in the PMI Peer Group-Old (formerly, PMI Compensation Survey Group) and in the PMI Peer Group-New indices because of its global footprint. The PMI Peer Group-Old and in the PMI Peer Group-New indices total cumulative return calculation weight Mondelēz International, Inc.'s total shareholder return at 65% of historical Kraft Foods Inc.'s market capitalization on December 31, 2011, based on Mondelēz International, Inc.'s initial market capitalization relative to the combined market capitalization of Mondelēz International, Inc. and Kraft Foods Group, Inc. in October 2012. Although included in the PMI Peer Group-New, Kraft Heinz Company is not included in the total cumulative return calculation, having become publicly traded only in October 2012.

Note: Figures are rounded to the nearest \$0.10.

### Issuer Purchases of Equity Securities During the Quarter Ended December 31, 2016

Our share repurchase activity for each of the three months in the quarter ended December 31, 2016, was as follows:

Period	Total Number of Shares Repurchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs
October 1, 2016 – October 31, 2016 (1)	—	\$ —	—	\$ —
November 1, 2016 – November 30, 2016 (1)	—	\$ —	—	\$ —
December 1, 2016 – December 31, 2016 (1)	—	\$ —	—	\$ —
Pursuant to Publicly Announced Plans or Programs	—	\$ —		
October 1, 2016 – October 31, 2016 (3)	424	\$ 97.91		
November 1, 2016 – November 30, 2016 (3)	1,144	\$ 96.18		
December 1, 2016 – December 31, 2016 (3)	20,088	\$ 91.70		
For the Quarter Ended December 31, 2016	21,656	\$ 92.06		

- (1) Our authorized three-year share repurchase program of \$18 billion expired in August 2015. During this reporting period, we did not have an authorized share repurchase program.
- (2) Aggregate number of shares repurchased under the above-mentioned share repurchase program as of the end of the period presented.
- (3) Shares repurchased represent shares tendered to us by employees who vested in restricted share unit awards and used shares to pay all, or a portion of, the related taxes.

The other information called for by this Item is included in Item 8, Note 23. *Quarterly Financial Data (Unaudited)* to the consolidated financial statements.