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MORGAN STANLEY GLOBAL CONSUMER AND RETAIL CONFERENCE
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(SLIDE 1.)

Thank you David and good afternoon everyone. It is a pleasure to be back here at the Morgan Stanley Global Consumer and Retail Conference. I would like to also welcome those of you who are joining us via the web cast.

(SLIDE 2.)

Today's presentation and related discussion contain forward-looking statements. Accordingly, I direct your attention to the Forward-Looking and Cautionary Statements slide for a review of various factors that could cause actual results to differ materially from forward-looking statements. A glossary of terms and reconciliations of non-GAAP measures included in this presentation to the most comparable GAAP measures are provided either at the end of this presentation or are already available on our web site.

(SLIDE 3.)

As David just mentioned, we are having an exceptional year by any measure. Through the end of September, volume increased by 2.0% to reach a level of 689 billion units. Net revenues and adjusted operating companies income were up 16.1% and 23.0%, respectively, and rose 9.5% and 16.2% on an organic basis. Our adjusted diluted earnings per share rose by 30.0% and by 23.4% on a constant currency basis.

While clearly flattered by our superb execution in response to the unfortunate events in Japan, I do wish to underscore that – even absent the Japan tailwind – our financial results would have been extremely strong and ahead of our mid to long-term targets.

(SLIDE 4.)

Our strong underlying business momentum continues into the fourth quarter, particularly driven by Indonesia and Japan. I am therefore pleased to announce that, for the full year 2011, we expect to achieve a reported diluted EPS of at least $4.85, up from our previously disclosed guidance range of $4.75 to $4.80. Compared to our adjusted diluted EPS of $3.87 in 2010, this represents a growth rate of 25.0%, or 20.0% after excluding an expected favorable currency variance of approximately 20 cents for the full year.

(SLIDE 5.)

While I naturally would have liked to dwell on our 2011 results for the rest of this presentation, I know full well that all eyes are already on 2012 and beyond. I therefore would like to focus my presentation on our growth prospects going forward.

These are invariably influenced by the parameters and drivers listed on this slide with which, I believe, you are all familiar. Let me start with industry volume.

(SLIDE 6.)

Between 2005 and 2010, the worldwide cigarette industry, excluding the USA and duty-free, grew at a compound annual rate of 1.3%. This growth was driven by both China and non-OECD markets, which expanded by 4.0% and 0.9% a year, respectively. This more than offset the 2.7% annual decline in OECD markets. With China today not readily accessible to international cigarette companies, the markets in which we compete declined moderately from 3.3 trillion units in 2005 to 3.2 trillion in 2010.

(SLIDE 7.)

Over this same time period, we have outperformed the industry, increasing our volume from 805 billion to 900 billion units, representing a compound annual growth rate of 2.3%. Our estimated share of the world cigarette market, excluding China, the USA and duty-free, increased from 23.7% to 27.6%.

(SLIDE 8.)

The key drivers of industry volume are demographics, price elasticity, societal trends, and the economic environment, particularly unemployment levels.

(SLIDE 9.)

In the main OECD markets, excluding the USA, the average population growth rate has been 0.4% a year over the 2005 to 2010 period.

(SLIDE 10.)

The average population growth rate in the major non-OECD markets, excluding China, has been 1.0% during the same period. However, there are really two distinct groups: the emerging markets with an average growth rate of 1.4%, and Eastern Europe with a shrinking population.

(SLIDE 11.)

There is a significantly more favorable impact of demographic trends on volume in non-OECD markets. We calculate the impact of demographic trends on the growth of our industry to be 0.1% plus or minus 0.5 points in OECD markets, with Mexico and Turkey being the key drivers. In non-OECD markets, it is 1.3% plus or minus 0.5 points, with the exception of Eastern Europe, which is at the low end of the OECD market range.

Our internal analysis concludes that the price elasticity in OECD countries tends to be between minus 0.3 and minus 0.5, and in non-OECD countries between minus 0.4 and minus 0.6.

The societal trend in our industry tends to be unfavorable and is estimated at an average of minus 1.4% in OECD markets and minus 0.4% in non-OECD markets. This relates mostly to lifestyle choices, but may also be impacted by regulations, such as public smoking restrictions, which tend to have a moderate, one-time unfavorable impact as adult smokers adjust to the new regulations.

(SLIDE 12.)

For a number of years now, the regulatory environment around the world has been manageable and our expectation is that it will continue to remain so going forward.

The current challenge is the threat of plain packaging. There is no sound evidence that such a measure meets the stated public health goals of reducing consumption, smoking incidence or youth smoking. Furthermore, we believe that plain packaging will foster illicit trade and encourage price repositioning, neither of which contribute to public health.

Nevertheless, in Australia, the government seems determined to introduce plain packaging next year. As a consequence, we will vigorously challenge the measure via Australian domestic law and the protection afforded to us under our bilateral investment treaty claim where our intent is to seek, at a minimum, significant compensation for the expropriation of our branded business. In addition, numerous countries have already expressed their willingness to

challenge, through WTO actions, the breach of international trade obligations that a plain packaging law would represent.

(SLIDE 13.)

We are not alone in our criticism of plain packaging.

As recently as last week, leading business organizations in the U.S., including the U.S. Chamber of Commerce, issued a joint statement expressing their "deep concern" with the passage of plain packaging legislation following a meeting with the Australian Prime Minister.

In the statement, the representatives of these organizations say that Australia's plain packaging proposal "will violate Australia's international trade obligations and undermine the rules-based international trading system, without advancing public health objectives." They go on to say that plain packaging "is a draconian assault on the legal rights of intellectual property owners and is void of regulatory best practice considerations;" that "eviscerating the rights of intellectual property holders is not a solution;" and that they will "continue to oppose this and similar measures vigorously."

This statement reinforces our belief that, outside Australia, plain packaging is recognized as a disproportionate and terribly flawed regulatory measure fraught with negative consequences and far-reaching legal implications and that, consequently, it is unlikely to be widely implemented elsewhere.

(SLIDE 14.)

The final driver of industry volume is the economic environment. While we are more resilient than most industries, we are not immune to the ebb and flow of economic developments.

The EU provides a perfect example. GDP growth is forecast to slow in the EU next year, and the overall picture hides significant disparities. The growth forecast for this year for GDP in the northern European economies ranges from 1.0% in the UK to 2.9% in Germany for an average of 2.0%. In contrast, growth in the southern European economies of Greece, Italy, Portugal and Spain is expected to be anemic at best with a decline of 1.8% forecast for Portugal and 5.1% for Greece. Meanwhile the central European countries continue to enjoy steady economic growth.

(SLIDE 15.)

These disparities are even more apparent when looking at unemployment levels, with Portugal at 12.3%, Greece at 17.6% and Spain at 21.2%.

(SLIDE 16.)

These divergences in unemployment levels have translated into very different cigarette industry volume trends. In northern Europe, industry volume has essentially remained stable so far this year, with only the Netherlands and the UK showing a decline. Volumes in southern Europe in contrast have declined by 8.0%. Suffering from very high unemployment, Spain stands out with a drop of 16.3% in legitimate industry volume.

(SLIDE 17.)

Unemployment is forecast to grow moderately in the Euro Zone as a whole and peak at 10.5% in the middle of next year. Should these projections prove to be accurate, we do not expect a significant impact on aggregate industry volume. However, the disparity between moderate declines in northern and central European markets and continued significant declines in southern European markets is expected to continue.

(SLIDE 18.)

Key to industry volume trends and, indeed, individual market characteristics are government policies on excise taxation. Past experience has shown that, whenever large excise tax increases have been implemented, government revenue targets fall short of expectations, and border sales and illicit trade are encouraged at the expense of the tax-paid market. We therefore expect rationality to prevail. While some disruptive excise tax surprises cannot be excluded, the recent retraction by Turkey, which had announced a huge hike in tax incidence and ultimately settled for a more moderate one, augurs well for the future.

(SLIDE 19.)

Although the EU Excise Tax Directive provides a sound framework through 2018, there are a number of countries, shown in red on this chart, where the specific excise tax as a percentage of the total tax yield on *Marlboro* remains very low. We have been advocating a reduction in the ad-valorem rates and a corresponding increase in the specific element in these markets to enhance the visibility and predictability of both government and industry revenues.

(SLIDE 20.)

The potential benefit of tax restructuring is shown in this example from Greece. After a significant tax increase in March 2010, which saw price gaps widen and industry profitability decline substantially, the Greek Government modified its excise tax structure at the beginning of this year. The key element was an increase in the specific tax from 10% of the Most Popular Price Category, or

“MPPC”, to 15% of the Weighted Average Price, or “WAP”. This resulted in a 19% increase in the net ex-factory price of *Marlboro*, and an 8% improvement in the low-price category. If the specific tax had been set at 20% of WAP, with a corresponding decrease in the ad-valorem rate, then the net ex-factory price of *Marlboro* would have increased by 25%.

(SLIDE 21.)

We have had much success in the past few years in securing more favorable tax structures and minimum excise taxes in numerous jurisdictions, ranging from the Mediterranean countries of Europe to Brazil and Indonesia.

These tax reforms are reflected in the evolution of price gaps across both OECD and non-OECD markets.

For example, price gaps in four of the most important EU markets, namely France, Germany, Italy and Spain, are today established in a relatively narrow range of €0.40 to €0.70 per pack.

(SLIDE 22.)

We have been successful in reducing the relative price gap in all four countries.

In 2005, the range was 10% to 21%, while the current range is 8% to 14%.

This should slow consumer downtrading going forward and makes switching within our portfolio a less painful issue, as margins at the low end of these markets are now quite attractive and, indeed, exceed the PMI average.

(SLIDE 23.)

Consumer uptrading would obviously be further stimulated by a reduction in the large price gaps that still exist in most non-OECD markets.

(SLIDE 24.)

This year, we expect industry volume outside the USA and duty-free to be up slightly at 5.6 trillion units.

The growth in non-OECD countries is in line with historical trends. However, the forecast 6.7% decline for OECD markets is atypical. It is driven in particular by three specific markets: Japan, due to the very large tax-driven price increase in October 2010; Mexico, where the average excise tax burden was increased in January this year by 50% in one fell swoop; and Spain, due to the economic factors mentioned previously. Excluding these three markets, we expect the decline in OECD markets to be about 2.2% this year.

(SLIDE 25.)

Over the next five years, we forecast cigarette industry volume, outside the USA and duty-free, to increase by up to 1.3% a year, driven by growth in China and non-OECD markets. Excluding China, industry volume is projected to fall within a range of minus 0.1% to minus 1.3%, an improved outlook compared to previous forecasts.

(SLIDE 26.)

Against this industry backdrop, we continue to aspire to our mid to long-term target of 1% organic volume growth. While many are skeptical, I firmly believe that it is not an unrealistic target.

Indeed, I am of the view that, through market share growth, the penetration of what essentially remain under-developed territories for us, the ultimate return of illicit trade to the legitimate industry, as well as the advent of next generation products, our volume target is eminently achievable.

(SLIDE 27.)

In volume terms, non-OECD markets, excluding China, represented 66% of industry volume last year, up from 63% in 2007. A similar trend can be seen in retail sales value. However, average prices in non-OECD markets are much lower and non-OECD markets still only account for 24% of cigarette industry retail sales outside of China, the USA and duty-free. When it comes to industry net revenues, however, non-OECD markets represented 48% in 2010, a significant increase from the 42% in 2007 and auguring well for future progress.

(SLIDE 28.)

Furthermore, we have witnessed a progression of the premium segment in many non-OECD markets since 2007.

(SLIDE 29.)

More broadly, Asia, excluding China, is now the largest single Region for cigarettes both on an industry-wide basis and in terms of our volume. While Asia accounted for 21% of PMI's volume in 2005, it now accounts for a leading 34% and offers tremendous potential for further growth.

(SLIDE 30.)

Importantly, this geographic trend also applies to net revenues and profitability. On a year-to-date basis, the Asia Region accounts for a leading 34% of our net revenues and 36% of our adjusted OCI.

(SLIDE 31.)

While acquisitions have transformed our business in Asia, our strong performance has also been achieved through organic share growth in markets such as Japan, Korea and Thailand.

Our share in Japan has steadily grown, driven by *Marlboro*'s performance. This year, we benefited from our principal competitors' temporary misfortune and, in convenience stores where our share is traditionally over-represented, we gained some four share points. While we have been shedding minor share points to our key competitor in recent weeks and months, we believe we will exit the year with a national share of approximately 28.5%.

(SLIDE 32.)

In Korea, we have been continually expanding our market share for more than ten years, thanks to a very strong brand portfolio, led by *Marlboro* and *Parliament*. Our share has grown nearly 10 share points since 2007 to 19.7% so far this year.

We have also been growing our market share in Thailand, reaching 20.7% year-to-date, behind the solid performances of both *Marlboro* and *L&M*.

(SLIDE 33.)

One of the growth opportunities that we have successfully seized in Asia is menthol, a segment that has been expanding from an already high base in such markets as Singapore, Hong Kong, and Japan, and growing off a much lower base in markets such as Indonesia and Korea.

(SLIDE 34.)

To take full advantage of this opportunity, we have launched several new innovative *Marlboro* products over the last three years…

(SLIDE 35.)

…the most successful of which have been *Marlboro Black Menthol* and *Marlboro Ice Blast*.*Marlboro* has been the key driver of the significant increase in our share in the growing Asian menthol segment, as you can see on this slide.

(SLIDE 36.)

In the EEMA Region, we have been gaining share in two of the three largest markets. Since 2007, our market share in Russia has increased from 24.5% to 25.7%, and our market share in Turkey is up from 42.1% to 44.9%. In Ukraine, we have lost share due to our under-representation in the value segment which has now been addressed.

(SLIDE 37.)

Parliament has made an important contribution to our market share growth in these three markets, most notably gaining 1.8 share points since 2007 in Turkey.

(SLIDE 38.)

Despite temporary disruptions associated with the Arab Spring, we have achieved tremendous success in North Africa, where we have nearly doubled our market share since 2007 and firmly established ourselves as the leading international company. Furthermore, with a share of 20.3%, there is still plenty of room for us to continue to grow.

(SLIDE 39.)

The organic market share growth picture is equally bright in the Latin America & Canada Region. Between 2007 and year-to-date September this year, we have notably increased our share in Argentina from 69.0% to 74.4% and in Mexico from 64.3% to 72.0%.

(SLIDE 40.)

Our growth has been driven by the increased size of the premium segment in key markets and *Marlboro*'s ability to maintain clear segment leadership in Mexico and Argentina, and a strong presence in the premium segment in Brazil.

(SLIDE 41.)

In Western Europe, the premium segment has been under pressure from the difficult economic environment and downward competitive price repositionings. However, the segment continues to expand in Central Europe.

(SLIDE 42.)

Marlboro remains the clear leader in all the Western European markets other than the UK and Ireland, which are Virginia-blend markets.

(SLIDE 43.)

With a share of 17.9%, *Marlboro* is larger than the next four competitive brands combined, and *L&M* is the second largest brand in the EU Region.

(SLIDE 44.)

Despite the difficult environment in many parts of the EU Region, *Marlboro* has been gaining share in both OECD and non-OECD markets since 2009. This is largely the result of the roll-out of the new *Marlboro* architecture and the successful development and launch of consumer-relevant innovation.

(SLIDE 45.)

Our latest innovation is *Marlboro Beyond*, a cigarette with a menthol capsule, which enables adult smokers to change the taste of the cigarette from regular to menthol when activating the capsule. This product, available in both the Red and Gold lines, has been launched in the last few months in five Western European markets and is showing early promise.

(SLIDE 46.)

This strong organic market share momentum is reflected in the increase of our market share in our top 30 most profitable markets from 34.6% in 2009 to 35.2% in 2010 and 36.3% year-to-date 2011.

(SLIDE 47.)

Significant opportunities for geographic expansion exist in the 24.2% of the world market that is currently dominated by local companies.

In many of these markets, such as Korea and Egypt, we are gaining share. In some virgin territories, such as India, Bangladesh and Vietnam, our presence currently remains limited. We do, however, have structures in place that should enable us to steadily expand organically. Finally, we remain open to pursuing business development opportunities provided that they are financially and strategically sound.

(SLIDE 48.)

Our track record on this front has been solid and is best illustrated by our purchase and transformation of Sampoerna in Indonesia. We successfully expanded the company's market share from 28.3% in 2006 to 30.7% so far this year. Our volume grew by 14 billion units to 79 billion in 2010, when Indonesia accounted for nearly 9% of PMI's worldwide volume. Our profitability over the

same period increased at a compound annual double digit rate and our results significantly exceed our original expectations.

(SLIDE 49.)

Our most recent business development project was the combination of our business in the Philippines with that of Fortune Tobacco. At 101 billion units in 2010, the Philippines is the fifth largest cigarette market in the world, excluding China and the USA. It is an attractive market because of its growing adult population, increasing purchasing power, and an already well-established premium segment, led by *Marlboro*.

The combination of PMI and Fortune Tobacco's business provides the new company with a market share well above 90%, a complementary brand portfolio, and significant synergy opportunities, some of which have already been realized this year.

(SLIDE 50.)

And then there is China, which accounted last year for 42% of the world market, excluding the USA and duty-free. This 2.4 trillion unit market is run by a state monopoly, CNTC, which is the most profitable company in China with EBITA of $20 billion earned in the first six months of this year. They have been very successfully streamlining their factories and their brands in order to further improve their efficiency and government revenue generation.

We have a license agreement for *Marlboro* with the CNTC. While it has been increasing, its volume of 1.5 billion units in 2010 remains a drop in the ocean. We are also cooperating with the CNTC through a joint-venture in international markets which is progressing solidly.

Our aspiration is to become the CNTC's key strategic partner over time. While we do not expect any major shift in terms of access to the Chinese market any time soon, we do think that, because of its size and its profitability, China will one day be a game changer in our industry.

(SLIDE 51.)

Spurred by counter-productive regulations and occasional disruptively large excise tax increases, illicit trade is both a risk and a potential opportunity. Current estimates are that illicit trade accounts for around 10% of worldwide cigarette consumption, outside China and the USA, or approximately 600 billion units. A 50% reduction of illicit trade would therefore result in a return of some 300 billion units to industry volume. Assuming PMI were to obtain its fair share of this recovered volume, we would add approximately 100 billion units to our own volume.

(SLIDE 52.)

If this sounds unrealistic to you, consider the benefits of the reduction in illicit trade in Canada over the last three years. With illicit trade levels - predominantly sourced from native Indian reservations - having reached estimated levels of between one third and one half of provincial cigarette volumes, the Ontario and Quebec governments set about tackling the issue through increased enforcement, higher fines and, in the case of Quebec, incentives for local law enforcement agencies. While industry volume declined by over 4% in 2008 to 28.6 billion units, it recovered to reach 32.4 billion units by 2010.

(SLIDE 53.)

Another example can be found in Romania. Following improved enforcement of anti-illicit trade measures, the level of non-domestic cigarettes decreased from 22.3% in the second quarter of 2010 to 18.9% by the end of last year, and dropped to its lowest level of 12.6% in the most recent reading.

(SLIDE 54.)

The other possible paradigm shift and area of huge potential for PMI is the development of Next Generation Products which have the potential to significantly reduce the harm caused by smoking compared to conventional cigarettes. We are developing different types of products both in-house and with third parties and expect to have a product in test market within the next three to four years.

Our success will obviously depend on our ability to develop products with sufficient consumer appeal in terms of both taste and ritual, providing a sound scientific basis to support harm reduction, both for the individual and the population at large, and to assure an appropriate regulatory and, possibly, fiscal framework for these novel products.

(SLIDE 55.)

Our confidence in our top-line growth prospects for 2012 and beyond lies also in the strength of our pricing power. On a year-to-date basis, we have generated more than $1.6 billion in pricing. We have taken price increases this year in a vast array of markets including Algeria, Argentina, France, Germany, Indonesia, Italy, the Philippines, Russia, Saudi Arabia, and Ukraine, as well as in Japan in conjunction with the significant excise tax hike in October of 2010.

We believe this favorable pricing environment will continue to manifest itself well into the future due to improving tax structures and the relative affordability of cigarettes.

(SLIDE 56.)

While growing the top-line is critical to our earnings growth, we are steadfast in our commitment to minimize cost increases and to pursue sustained gains in productivity.

The most important components of our Cost of Goods Sold are leaf tobacco and direct materials, which accounted for 35% and 27%, respectively, of our cost base this year.

After a significant increase in 2008, due to a global shortage of tobacco leaf following several years of weak prices, tobacco prices have now stabilized. Our Brazilian vertical integration initiative, which has significantly increased the number of direct contracts with farmers, should further reinforce this stability and we expect that, going forward, leaf prices will increase, on average, in line with inflation.

(SLIDE 57.)

Direct material cost increases are also expected to remain moderate, though PMI will face additional but manageable costs from the introduction of reduced cigarette ignition propensity paper in Europe and, ultimately, elsewhere.

Cost increases will be partially offset by our productivity programs which, in 2011, were targeted at $250 million. I'm pleased to report that we will comfortably surpass this target through the continued rationalization of product specifications and blends, improved manufacturing performance, and procurement savings. We firmly believe that there remains ample opportunity for further savings in the future.

(SLIDE 58.)

Revenue growth and strict cost management have driven our adjusted OCI margin from 40.1% in 2007 to 45.5% year-to-date September this year. All four Regions achieved higher adjusted OCI margins over this period, and we believe there is still significant potential to further increase these stellar margins.

(SLIDE 59.)

Increased earnings, combined with our sharp focus on working capital, have driven the expansion of our free cash flow, even when faced with currency headwinds, as was the case in 2009.

So far this year, we have generated $9.0 billion in free cash flow, thus already surpassing our full year 2010 total of $8.7 billion.

(SLIDE 60.)

Our year-to-date free cash flow expressed as a percentage of revenue reached a level of 38.4%. This performance is vastly superior to that of our peers in both the tobacco and the wider consumer goods sector.

(SLIDE 61.)

Since the spin-off, we have increased our annual dividend by 67.4% to reach a current level of $3.08 per share.

(SLIDE 62.)

This increase is superior to that of all other tobacco companies and all our peer consumer goods companies with the exception of McDonalds.

(SLIDE 63.)

We completed our initial two-year $13 billion share repurchase program in April 2010, and our current $12 billion three-year share repurchase program was initiated in May 2010. In total, we have now spent over $20 billion to purchase 400 million shares, representing 18.9% of our shares outstanding at the time of the spin-off.

(SLIDE 64.)

Our share repurchases, in both absolute amounts and as a percentage of shares outstanding, compare very favorably to other major consumer products companies.

(SLIDE 65.)

Since the spin-off in March 2008, we have returned nearly $35 billion to our shareholders through dividends and share repurchases.

(SLIDE 66.)

In a testament to the strength of our balance sheet, last week we were able to capitalize on very low interest rates to improve our debt profile. We concluded two bond offerings. The first was a Swiss Franc deal in two tranches across five and 10 years totaling CHF 625 million. The second was a US Dollar deal in two tranches across 10 and 30 years totaling $1.5 billion at coupons of 2.9% and 4.375% per annum, respectively. It should be noted that the 2.9% coupon was among the five lowest for a US Dollar 10-year transaction and that the 4.375% coupon on the $750 million 30-year tranche, together with a recent Walt Disney

transaction, represents the lowest ever 30 year coupon for a US corporate issuer.

As a result of these transactions, the time to maturity on our long term debt has now increased from 6.9 years to 8.2 years. More importantly, the average all-in cost of our total bond portfolio has decreased from 5.3% at year end 2010 to 4.8% currently.

(SLIDE 67.)

As shown on this slide, we have delivered best-in-class total shareholder returns.

(SLIDE 68.)

Our organic revenue growth has compared very favorably to that of our global consumer products peers, driven by the strength of our brands, our excellent global footprint and the favorable pricing environment in which we operate.

(SLIDE 69.)

While many of our peers are reporting compressed margins, driven by commodity price increases that they are unable to pass on to consumers, we have continued to improve our EBITDA margins.

(SLIDE 70.)

We have converted revenue growth and margin expansion into excellent adjusted diluted EPS growth, and 2011 will be an exceptional year.

(SLIDE 71.)

Our return on invested capital has increased by 16.7 percentage points since 2008 and remains significantly above that of our peers.

(SLIDE 72.)

Yet, despite our superior performance and outlook on this wide range of criteria, PMI continues to trade at a discount to most global consumer products companies.

(SLIDE 73.)

In summary, our outlook remains very promising. Industry volume is proving more resilient, the excise tax environment remains rational and we believe that the regulatory challenges are manageable.

We are successfully exploiting growth opportunities by leveraging our superior portfolio of brands, led by *Marlboro*, our global market leadership in developed and emerging markets, business development opportunities, the favorable pricing environment, and the potential for additional productivity savings. The Asia and EEMA Regions, in particular, provide significant opportunities for further growth.

We continue to generate tremendous cash flow, which we are returning to our shareholders through generous dividend and significant share repurchase programs.

(SLIDE 74.)

We have consistently delivered EPS in line with or above our mid to long-term currency neutral annual growth target of 10% to 12%.

As you know, we will provide specific EPS guidance for 2012 when we report our full year results in February.

While currencies for next year remain potentially volatile, the macro-economic environment in the EU uncertain and the Japan comparison with this year an obvious hurdle, I remain very confident that – barring any unforeseen major disruption – we will again meet our mid to long-term constant currency annual EPS growth target of 10% to 12% in 2012.

(SLIDE 75.)

This concludes my presentation. I am now happy to take your questions.