

PRESS RELEASE



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PHILIP MORRIS INTERNATIONAL INC. ANNOUNCES AGREEMENT TO ACQUIRE A 20% INTEREST IN RUSSIAN MEGAPOLIS GROUP

NEW YORK, December 4, 2013 – Philip Morris International Inc. (NYSE / Euronext Paris: PM) (“PMI”) announces today its agreement to acquire a 20% equity interest in Megapolis Distribution BV, the holding company of CJSC TK Megapolis (“Megapolis”), PMI’s distributor in Russia. The purchase price of \$750 million excludes an additional payment of up to \$100 million which is contingent on Megapolis’s operational performance over the four fiscal years following the closing of the purchase. PMI expects the transaction to be completed by the end of 2013 without requiring regulatory approvals. The transaction is projected to be accretive to PMI’s earnings per share as of the first quarter of 2014.

“We are delighted to reach this agreement with Megapolis, our proven distribution partner, which will support our business expansion in this profitable market,” said Miroslaw Zielinski, PMI’s President, Eastern Europe, Middle East & Africa Region and PMI Duty Free. “In addition to enhanced earnings and cash flow for PMI, this investment paves the way for infrastructure expansion and improved operating efficiencies in the strategic area of distribution in Russia, and will therefore benefit our wide portfolio of leading brands.”

Megapolis is one of Russia’s leading consumer goods distributors focusing principally on tobacco and beverages. It employs almost 15,000 employees and commands a direct store delivery system that reaches more than 150,000 points of sale. Megapolis handles approximately 70% of the cigarettes sold in Russia through its distribution agreements with PMI, Japan Tobacco International and Imperial Tobacco Group.

This announcement is made concurrently with that of Japan Tobacco International regarding its agreement to also acquire a 20% equity interest in Megapolis Distribution BV.

Philip Morris International in Russia

At an industry size of 370 billion units in 2012, Russia is the largest cigarette market outside of the People’s Republic of China. PMI’s 2013 September year-to-date market share, as measured by Nielsen, was 26.1%, driven by its portfolio of international trademarks, including *Marlboro*, *Parliament*, *L&M*, *Chesterfield* and *Bond Street*, and local trademarks, such as *Optima* and *Apollo-Soyuz*. Most PMI cigarettes sold in Russia are produced at the company’s state-of-the-art facilities in Krasnodar and near St. Petersburg, which is the second-largest PMI production facility in the world. PMI has more than 4,500 employees in Russia.

Philip Morris International Inc.

Philip Morris International Inc. (PMI) is the leading international tobacco company, with seven of the world’s top 15 international brands, including *Marlboro*, the number one cigarette brand worldwide. PMI’s products are sold in more than 180 markets. In 2012, the company held an estimated 16.3% share of the total international cigarette market outside of the U.S., or 28.8% excluding the People’s Republic of China and the U.S. For more information, see www.pmi.com.