



PHILIP MORRIS INTERNATIONAL

Profile

- Philip Morris International Inc. (PMI) is a U.S. corporation with headquarters in New York
- Our center of operations is in Lausanne, Switzerland
- PMI is the leading international tobacco company
- Our brands are sold in more than 180 markets
- We own 7 of the top 15 international cigarette brands in the world
- We held an estimated 16.3% share of the total international cigarette market outside the U.S., or 28.8% excluding the People's Republic of China and the U.S. in 2012

Highlights

• On February 7, 2013:

PMI Reported 2012 Full-Year Results:

- Reported diluted earnings per share of \$5.17 up 6.6%, versus \$4.85 in 2011.
- Adjusted diluted earnings per share of \$5.22, up 7.0%, versus \$4.88 in 2011. Excluding currency, adjusted diluted earnings per share up 11.7% to \$5.45.
- 2012 Cigarette shipment volume growth of 1.3%, excluding acquisitions.
- Exceeded its one-year gross productivity and cost savings target of \$300 million in 2012.

- During 2012, increased its regular quarterly dividend by 10.4% to an annualized rate of \$3.40 per common share.
- During 2012, repurchased 74.9 million shares of its common stock for \$6.5 billion.
- During 2012, commenced a new three-year share repurchase program of \$18 billion.
- A reconciliation of Non-GAAP Measures is included at the end of this investor fact sheet.

Additional information is available at www.pmi.com/investors

Shareholder Information



- Philip Morris International Inc. is listed on the New York Stock Exchange under the ticker symbol "PM".

• Investor Relations:

New York: 917-663-2233

Lausanne: 41(0)58-242-4666

• Shareholder Publications:

For our filings with the Securities and Exchange Commission and other publications and reports, please visit: www.pmi.com/investors

• Shareholder Response Center:

Computershare Trust Company, N.A., our transfer agent, will answer questions about your accounts, certificates, dividends or the Direct Stock Purchase and Dividend Reinvestment Plan.

Computershare Trust Company, N.A.

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Consolidated Financial Review

(in millions of dollars, except per share data)

● Selected Financial Highlights	For the Years Ended December 31,		
	2012	2011	% Change
Net revenues	\$77,393	\$76,346	1.4%
Cost of sales	10,373	10,678	(2.9)%
Excise taxes on products	46,016	45,249	1.7%
Gross profit	21,004	20,419	2.9%
Operating income	13,846	13,332	3.9%
Earnings before income taxes	12,987	12,532	3.6%
Provision for income taxes	3,833	3,653	4.9%
Net earnings	9,154	8,879	3.1%
Net earnings attributable to noncontrolling interests	354	288	22.9%
Net earnings attributable to PMI	8,800	8,591	2.4%
Basic earnings per share	5.17	4.85	6.6%
Diluted earnings per share	5.17	4.85	6.6%

● Results by Business Segment	For the Years Ended December 31,			
	2012	2011	% Change	Excluding Currency
European Union				
Net revenues	\$27,338 ⁽¹⁾	\$29,768	(8.2)%	—
Net revenues, excluding excise taxes on products	8,526	9,212	(7.4)%	0.3%
Operating companies income ⁽²⁾	4,187	4,560	(8.2)%	0.2%
Eastern Europe, Middle East & Africa (EEMA)				
Net revenues	19,272 ⁽¹⁾	17,452	10.4%	18.8%
Net revenues, excluding excise taxes on products	8,332	7,881	5.7%	11.6%
Operating companies income ⁽²⁾	3,726	3,229	15.4%	21.6%
Asia				
Net revenues	21,071 ⁽¹⁾	19,590	7.6%	9.8%
Net revenues, excluding excise taxes on products	11,198	10,705	4.6%	5.7%
Operating companies income ⁽²⁾	5,197	4,836	7.5%	6.7%
Latin America & Canada				
Net revenues	9,712 ⁽¹⁾	9,536	1.8%	9.0%
Net revenues, excluding excise taxes on products	3,321	3,299	0.7%	6.6%
Operating companies income ⁽²⁾	1,043	988	5.6%	11.9%



● Balance Sheet Highlights and Ratios	As of December 31,	
	2012	2011
Inventories	\$ 8,949	\$ 8,120
Property, plant and equipment, net	6,645	6,250
Total assets	37,670	35,488
Total debt	22,839	18,545
Total liabilities	39,523	33,725
Total stockholders' (deficit) equity	(3,154)	551
Total debt to EBITDA	1.55 ⁽³⁾	1.29 ⁽³⁾
Net debt to EBITDA	1.35 ⁽³⁾	1.12 ⁽³⁾

● Cash Flow Statement Highlights	For the Years Ended December 31,	
	2012	2011
Net cash provided by operating activities	\$ 9,421	\$10,529
Capital expenditures	1,056	897
Long-term debt proceeds	5,516	3,767
Long-term debt repaid	2,237	1,483
Repurchases of common stock	6,525	5,372
Dividends paid	5,404	4,788

(1) 2012 Currency decreased net revenues as follows: European Union \$(2,423), EEMA \$(1,468), Asia \$(431), Latin America & Canada \$(681); totaling \$(5,003).

(2) PMI's management reviews operating companies income, which is defined as operating income before general corporate expenses and amortization of intangibles, to evaluate segment performance and allocate resources. For a reconciliation of operating companies income to operating income, see Reconciliation of Non-GAAP Measures included at the end of this investor fact sheet.

(3) For the calculation of Total Debt to EBITDA and Net Debt to EBITDA ratios, refer to Reconciliation of Non-GAAP Measures included at the end of this investor fact sheet.

Reconciliation of Non-GAAP Measures

Reconciliation of Operating Companies Income to Operating Income

For the Years Ended December 31, (in millions) (unaudited)	2012	2011	% Change
Operating companies income	\$14,153	\$13,613	4.0%
Amortization of intangibles	(97)	(98)	
General corporate expenses	(210)	(183)	
Operating income	\$13,846	\$13,332	3.9%

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

Reconciliation of Reported Diluted EPS to Reported Diluted EPS, excluding Currency

For the Years Ended December 31, (unaudited)	2012	2011	% Change
Reported Diluted EPS	\$ 5.17	\$4.85	6.6%
Less:			
Currency impact	(0.23)		
Reported Diluted EPS, excluding Currency	\$ 5.40	\$4.85	11.3%

Adjustments for the Impact of Currency and Acquisitions

For the Years Ended December 31,													
(in millions) (unaudited)													
2012							2011						
Reported Net Revenues	Less Excise Taxes	Reported Net Revenues excluding Excise Taxes	Less Currency	Reported Net Revenues excluding Excise Taxes & Currency	Less Acquisitions	Reported Net Revenues excluding Excise Taxes, Currency & Acquisitions	Reported Net Revenues	Less Excise Taxes	Reported Net Revenues excluding Excise Taxes	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions	% Change in Reported Net Revenues excluding Excise Taxes
\$27,338	\$18,812	\$ 8,526	\$ (716)	\$ 9,242	\$ —	\$ 9,242	European Union	\$29,768	\$20,556	\$ 9,212	(7.4)%	0.3%	0.3%
19,272	10,940	8,332	(467)	8,799	27	8,772	EEMA	17,452	9,571	7,881	5.7%	11.6%	11.3%
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%
\$77,393	\$46,016	\$31,377	\$(1,495)	\$32,872	\$28	\$32,844	PMI Total	\$76,346	\$45,249	\$31,097	0.9%	5.7%	5.6%

2012							2011						
Reported Operating Companies Income	Less Currency	Reported Operating Companies Income excluding Currency	Less Acquisitions	Reported Operating Companies Income excluding Currency & Acquisitions			Reported Operating Companies Income	Less Currency	Reported Operating Companies Income excluding Currency	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions	% Change in Reported Operating Companies Income
\$ 4,187		\$(384)		\$ 4,571	\$—	\$ 4,571	European Union		\$4,560	(8.2)%	0.2%	0.2%	
3,726		(199)		3,925	4	3,921	EEMA		3,229	15.4%	21.6%	21.4%	
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%	
\$14,153		\$(607)		\$14,760	\$ 4	\$14,756	PMI Total		\$13,613	4.0%	8.4%	8.4%	

Calculation of Total Debt to EBITDA and Net Debt to EBITDA Ratios

(in millions, except ratios) (unaudited)		For the Year Ended December 31, 2012	For the Year Ended December 31, 2011
Earnings before income taxes		\$12,987	\$12,532
Interest expense, net		859	800
Depreciation and amortization		898	993
EBITDA		\$14,744	\$14,325

		December 31, 2012	December 31, 2011
Short-term borrowings		\$ 2,419	\$ 1,511
Current portion of long-term debt		2,781	2,206
Long-term debt		17,639	14,828
Total Debt		\$22,839	\$18,545
Less: Cash and cash equivalents		2,983	2,550
Net Debt		\$19,856	\$15,995

Ratios			
Total Debt to EBITDA		1.55	1.29
Net Debt to EBITDA		1.35	1.12