



Profile

- On March 28, 2008 Altria Group, Inc. completed the spin-off of Philip Morris International Inc. (PMI)
- PMI is an independent 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 approximately 180 countries
- We own 7 of the top 15 international cigarette brands in the world
- We held an estimated 16.0% share of the total international cigarette market outside the U.S., or 27.6% excluding the People's Republic of China and the U.S. in 2010

Highlights

- **On July 21, 2011:**
PMI Reported 2011 Second-Quarter Results:
 - Reported diluted earnings per share of \$1.35, versus \$1.07 in 2010. Reported diluted earnings per share, excluding currency, of \$1.22, up 14.0%.
 - Adjusted diluted earnings per share of \$1.34, versus \$1.00 in 2010. Excluding currency, adjusted diluted earnings per share were up 21.0% to \$1.21.
 - PMI increased its forecast for 2011 full-year reported diluted earnings per share by \$0.15 to a range of \$4.70 to \$4.80, at prevailing exchange rates, versus \$3.92 in 2010.
- Free cash flow for the first half of the year, defined as net cash provided by operating activities less capital expenditures, up 20.5% to \$6.2 billion.
- Repurchased 22.7 million shares of its common stock for \$1.5 billion during the quarter.
- 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 filings with the Securities and Exchange Commission, 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.

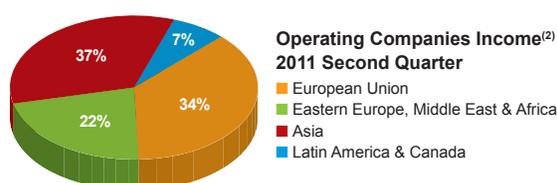
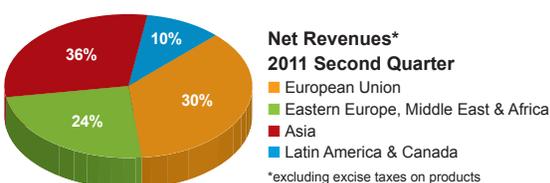
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Consolidated Financial Review

(in millions of dollars, except per share data)

■ Selected Financial Highlights	For the Quarters Ended June 30,		
	2011	2010	% Change
Net revenues	\$20,234	\$17,383	16.4%
Cost of sales	2,844	2,550	11.5%
Excise taxes on products	11,961	10,322	15.9%
Gross profit	5,429	4,511	20.4%
Operating income	3,712	2,906	27.7%
Earnings before income taxes	3,504	2,683	30.6%
Provision for income taxes	1,019	641	59.0%
Net earnings	2,485	2,042	21.7%
Net earnings attributable to noncontrolling interests	76	60	26.7%
Net earnings attributable to PMI	2,409	1,982	21.5%
Basic earnings per share	1.35	1.07	26.2%
Diluted earnings per share	1.35	1.07	26.2%

■ Results by Business Segment	For the Quarters Ended June 30,			
	2011	2010	% Change	Excluding Currency
European Union				
Net revenues	\$8,080 ⁽¹⁾	\$7,260	11.3%	2.9%
Net revenues, excluding excise taxes on products	2,497	2,295	8.8%	0.7%
Operating companies income ⁽²⁾	1,280	1,105	15.8%	2.1%
Eastern Europe, Middle East & Africa (EEMA)				
Net revenues	4,603 ⁽¹⁾	4,125	11.6%	9.3%
Net revenues, excluding excise taxes on products	2,012	1,889	6.5%	3.6%
Operating companies income ⁽²⁾	835	786	6.2%	4.8%
Asia				
Net revenues	5,146 ⁽¹⁾	3,903	31.8%	22.4%
Net revenues, excluding excise taxes on products	2,936	2,123	38.3%	27.8%
Operating companies income ⁽²⁾	1,398	845	65.4%	48.3%
Latin America & Canada				
Net revenues	2,405 ⁽¹⁾	2,095	14.8%	11.2%
Net revenues, excluding excise taxes on products	828	754	9.8%	5.8%
Operating companies income ⁽²⁾	268	238	12.6%	8.8%



■ Balance Sheet Highlights and Ratios	June 30,	December 31,
	2011	2010
Inventories	\$ 7,904	\$ 8,317
Property, plant and equipment, net	6,793	6,499
Total assets	36,794	35,050
Total debt	16,921	16,502
Total liabilities	31,614	29,929
Total stockholders' equity	3,976	3,933
Total debt to EBITDA	1.28 ⁽³⁾	1.36 ⁽³⁾
Net debt to EBITDA	1.11 ⁽³⁾	1.22 ⁽³⁾

■ Cash Flow Statement Highlights	For the Six Months Ended June 30,	
	2011	2010
Net cash provided by operating activities	\$ 6,515	\$ 5,439
Capital expenditures	345	319
Net repayment of short-term borrowings	1,206	890
Long-term debt proceeds	990	1,130
Repurchases of common stock	2,922	2,828
Dividends paid	2,308	2,183

(1) 2011 Currency increased net revenues as follows: European Union \$609, EEMA \$94, Asia \$368, Latin America & Canada \$76; totaling \$1,147.

(2) PMI's management reviews operating companies income, which is defined as operating income before 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 Quarters Ended June 30, (in millions) (Unaudited)	2011	2010	% Change
Operating companies income	\$3,781	\$2,974	27.1%
Amortization of intangibles	(24)	(23)	
General corporate expenses	(45)	(45)	
Operating income	\$3,712	\$2,906	27.7%

■ Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

For the Six Months Ended June 30, (in millions) (Unaudited)	2011	2010	% Change
Net cash provided by operating activities^(a)	\$6,515	\$5,439	19.8%
Less:			
Capital expenditures	345	319	
Free Cash Flow	\$6,170	\$5,120	20.5%

(a) Operating cash flow

■ Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS and Adjusted Diluted EPS, excluding Currency

For the Quarters Ended June 30, (Unaudited)	2011	2010	% Change
Reported Diluted EPS	\$ 1.35	\$1.07	26.2%
Adjustments:			
Asset impairment and exit costs	—	—	
Tax items	(0.01)	(0.07)	
Adjusted Diluted EPS	\$ 1.34	\$1.00	34.0%
Less:			
Currency impact	0.13		
Adjusted Diluted EPS, excluding Currency	\$ 1.21	\$1.00	21.0%

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

For the Quarters Ended June 30, (Unaudited)	2011	2010	% Change
Reported Diluted EPS	\$1.35	\$1.07	26.2%
Less:			
Currency Impact	0.13		
Reported Diluted EPS, excluding Currency	\$1.22	\$1.07	14.0%

■ Adjustments for the Impact of Currency and Acquisitions

For the Quarters Ended June 30,

(in millions) (Unaudited)											% Change in Reported Net Revenues excluding Excise Taxes		
2011								2010					
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
\$ 8,080	\$ 5,583	\$2,497	\$187	\$2,310	\$ —	\$2,310	European Union	\$ 7,260	\$ 4,965	\$2,295	8.8%	0.7%	0.7%
4,603	2,591	2,012	55	1,957	—	1,957	EEMA	4,125	2,236	1,889	6.5%	3.6%	3.6%
5,146	2,210	2,936	222	2,714	3	2,711	Asia	3,903	1,780	2,123	38.3%	27.8%	27.7%
2,405	1,577	828	30	798	—	798	Latin America & Canada	2,095	1,341	754	9.8%	5.8%	5.8%
\$20,234	\$11,961	\$8,273	\$494	\$7,779	\$ 3	\$7,776	PMI Total	\$17,383	\$10,322	\$7,061	17.2%	10.2%	10.1%

2011								2010			% Change in Reported Operating Companies Income		
Reported Operating Companies Income	Less Currency	Reported Operating Companies Income excluding Currency	Less Acquisitions	Reported Operating Companies Income excluding Currency & Acquisitions	Less Acquisitions	Reported Operating Companies Income excluding Currency & Acquisitions		Reported Operating Companies Income	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions		
\$1,280	\$152	\$1,128	\$ (1)	\$1,129		\$1,129	European Union	\$1,105	15.8%	2.1%	2.2%		
835	11	824	—	824		824	EEMA	786	6.2%	4.8%	4.8%		
1,398	145	1,253	1	1,252		1,252	Asia	845	65.4%	48.3%	48.2%		
268	9	259	—	259		259	Latin America & Canada	238	12.6%	8.8%	8.8%		
\$3,781	\$317	\$3,464	\$ —	\$3,464		\$3,464	PMI Total	\$2,974	27.1%	16.5%	16.5%		

Reconciliation of Non-GAAP Measures

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

(in millions, except ratios) (Unaudited)

	For the Year Ended June 30, 2011			For the Year Ended December 31, 2010
	July – December 2010	January – June 2011	12 months rolling	
Earnings before income taxes	\$5,149	\$6,298	\$11,447	\$10,324
Interest expense, net	430	421	851	876
Depreciation and amortization	485	488	973	932
EBITDA	\$6,064	\$7,207	\$13,271	\$12,132
			June 30, 2011	December 31, 2010
Short-term borrowings			\$ 570	\$ 1,747
Current portion of long-term debt			3,314	1,385
Long-term debt			13,037	13,370
Total Debt			\$16,921	\$16,502
Less: Cash and cash equivalents			2,178	1,703
Net Debt			\$14,743	\$14,799
Ratios				
Total Debt to EBITDA			1.28	1.36
Net Debt to EBITDA			1.11	1.22