



PHILIP MORRIS INTERNATIONAL

Investor Fact Sheet Second Quarter 2010

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 160 countries
- We own 7 of the top 15 brands in the world
- We held an estimated 15.4% share of the total international cigarette market outside the U.S., or 26.0% excluding the People's Republic of China and the U.S. in 2009

Highlights

■ **In April 2010**, PMI completed its 2008 – 2010 share repurchase program of \$13 billion and, in May 2010, initiated a new, three-year share repurchase program of \$12 billion. During the second quarter of 2010, PMI spent \$1.0 billion to repurchase 21.7 million shares of its common stock.

■ **On July 22, 2010:**

PMI Reported 2010 Second-Quarter Results.

■ Reported diluted earnings per share of \$1.07, up by 35.4% versus \$0.79 in 2009. Excluding currency, reported diluted earnings per share were up 31.6%.

■ A reconciliation of Non-GAAP Measures is included at the end of this investor fact sheet.

■ **On June 23 and 24, 2010:**

■ PMI hosted its first Investor Day at its Operations Center in Lausanne, Switzerland in which senior management offered its perspective on the company's business outlook and long-term growth strategies.

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.

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 Quarters Ended June 30,		
	2010	2009	% Change
Net revenues	\$17,383	\$15,213	14.3%
Cost of sales	2,550	2,185	16.7%
Excise taxes on products	10,322	9,079	13.7%
Gross profit	4,511	3,949	14.2%
Operating income	2,906	2,429	19.6%
Earnings before income taxes	2,683	2,236	20.0%
Provision for income taxes	641	639	0.3%
Net earnings	2,042	1,597	27.9%
Net earnings attributable to noncontrolling interests	60	51	17.6%
Net earnings attributable to PMI	1,982	1,546	28.2%
Basic earnings per share	1.07	0.79	35.4%
Diluted earnings per share	1.07	0.79	35.4%

■ Results by Business Segment	For the Quarters Ended June 30,			Excluding Currency
	2010	2009	% Change	
<i>European Union</i>				
Net revenues	\$7,260 ⁽¹⁾	\$7,155	1.5%	(1.1)%
Net revenues, excluding excise taxes on products	2,295	2,280	0.7%	(1.2)%
Operating companies income ⁽²⁾	1,105	1,163	(5.0)%	(0.3)%
<i>Eastern Europe, Middle East & Africa (EEMA)</i>				
Net revenues	4,125 ⁽¹⁾	3,400	21.3%	15.0%
Net revenues, excluding excise taxes on products	1,889	1,640	15.2%	9.7%
Operating companies income ⁽²⁾	786	635	23.8%	18.4%
<i>Asia</i>				
Net revenues	3,903 ⁽¹⁾	2,947	32.4%	15.9%
Net revenues, excluding excise taxes on products	2,123	1,573	35.0%	21.4%
Operating companies income ⁽²⁾	845	619	36.5%	19.9%
<i>Latin America & Canada</i>				
Net revenues	2,095 ⁽¹⁾	1,711	22.4%	11.5%
Net revenues, excluding excise taxes on products	754	641	17.6%	6.1%
Operating companies income ⁽²⁾	238	71	100+%	100+%



■ Balance Sheet Highlights and Ratios	June 30, 2010	December 31, 2009
Inventories	\$ 7,502	\$ 9,207
Property, plant and equipment, net	6,162	6,390
Total assets	33,324	34,552
Total debt	15,231	15,416
Total liabilities	27,774	28,407
Total stockholders' equity	4,377	6,145
Total debt to EBITDA	1.29 ⁽³⁾	1.42 ⁽³⁾
Net debt to EBITDA	1.15 ⁽³⁾	1.27 ⁽³⁾

■ Cash Flow Statement Highlights	For the Six Months Ended June 30,	
	2010	2009
Net cash provided by operating activities	\$ 5,439	\$ 4,573
Capital expenditures	319	323
Long-term debt proceeds	1,130	2,987
Repurchases of common stock	2,828	2,850
Dividends paid	2,183	2,161

(1) 2010 Currency increased net revenues as follows: European Union \$187, EEMA \$215, Asia \$487, Latin America & Canada \$188; totaling \$1,077.

(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 Reported Diluted EPS to Reported Diluted EPS, Excluding Currency

For the Quarters Ended June 30, (Unaudited)	2010	2009	% Change
Reported Diluted EPS	\$1.07	\$0.79	35.4%
Less:			
Currency Impact	0.03		
Reported Diluted EPS, Excluding Currency	\$1.04	\$0.79	31.6%

■ Adjustments for the Impact of Currency and Acquisitions

For the Quarters Ended June 30, (in millions) (Unaudited)													
2010								2009			% Change in Reported Net Revenues excluding Excise Taxes		
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
\$ 7,260	\$ 4,965	\$2,295	\$ 42	\$2,253	\$ —	\$2,253	European Union	\$ 7,155	\$4,875	\$2,280	0.7%	(1.2)%	(1.2)%
4,125	2,236	1,889	90	1,799	25	1,774	EEMA	3,400	1,760	1,640	15.2%	9.7%	8.2%
3,903	1,780	2,123	213	1,910	156	1,754	Asia	2,947	1,374	1,573	35.0%	21.4%	11.5%
2,095	1,341	754	74	680	—	680	Latin America & Canada	1,711	1,070	641	17.6%	6.1%	6.1%
\$17,383	\$10,322	\$7,061	\$419	\$6,642	\$181	\$6,461	PMI Total	\$15,213	\$9,079	\$6,134	15.1%	8.3%	5.3%

2010						2009			% 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		Reported Operating Companies Income	Reported	Reported excluding Currency	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions
\$1,105	\$(55)	\$1,160	\$—	\$1,160	European Union	\$1,163	(5.0)%	(0.3)%	(0.3)%	(0.3)%	(0.3)%
786	34	752	10	742	EEMA	635	23.8%	18.4%	16.9%	16.9%	16.9%
845	103	742	32	710	Asia	619	36.5%	19.9%	14.7%	14.7%	14.7%
238	31	207	—	207	Latin America & Canada	71	100+%	100+%	100+%	100+%	100+%
\$2,974	\$113	\$2,861	\$42	\$2,819	PMI Total	\$2,488	19.5%	15.0%	13.3%	13.3%	13.3%

■ Reconciliation of Operating Companies Income to Operating Income

For the Quarters Ended June 30, (in millions) (Unaudited)	2010	2009	% Change
European Union	\$1,105	\$1,163	(5.0)%
EEMA	786	635	23.8%
Asia	845	619	36.5%
Latin America & Canada	238	71	100+%
Operating Companies Income	\$2,974	\$2,488	19.5%
Amortization of intangibles	(23)	(21)	
General corporate expenses	(45)	(38)	
Operating Income	\$2,906	\$2,429	19.6%

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

(in millions, except ratios) (Unaudited)				
June 30, 2010				For the Year Ended December 31, 2009
	July – December 2009	January – June 2010	12 months rolling	
Earnings before income taxes	\$4,845	\$5,175	\$10,020	\$ 9,243
Interest expense, net	446	446	892	797
Depreciation and amortization	458	447	905	853
EBITDA	\$5,749	\$6,068	\$11,817	\$10,893
June 30, 2010				December 31, 2009
Short-term borrowings			\$ 857	\$ 1,662
Current portion of long-term debt			78	82
Long-term debt			14,296	13,672
Total Debt			\$15,231	\$15,416
Less: Cash and cash equivalents			1,584	1,540
Net Debt			\$13,647	\$13,876
Ratios				
Total Debt to EBITDA			1.29	1.42
Net Debt to EBITDA			1.15	1.27