



PHILIP MORRIS INTERNATIONAL

Investor Fact Sheet Third 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

- **On October 21, 2010:**
PMI Reported 2010 Third-Quarter Results.
 - Reported diluted earnings per share of \$0.99, up by 6.5%, or by 4.3% excluding currency. Adjusted diluted earnings per share were up by 7.5%.
 - Raised and narrowed 2010 reported diluted earnings per share forecast to a range of \$3.90 to \$3.95, up by approximately 20% to 22% compared to \$3.24 in 2009, driven by favorable currency at prevailing rates, an improved business performance and a lower tax rate.
 - Increased its regular quarterly dividend during the quarter by 10.3% to an annualized rate of \$2.56 per common share.
 - Announced acceleration of an additional \$1.0 billion in share repurchases in 2010 to an approximate total of \$5 billion, reflecting strong cash flow generation.
 - 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: +1 917-663-2233
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 September 30,		
	2010	2009	% Change
Net revenues	\$16,936	\$16,573	2.2%
Cost of sales	2,290	2,320	(1.3)%
Excise taxes on products	10,322	9,986	3.4%
Gross profit	4,324	4,267	1.3%
Operating income	2,836	2,850	(0.5)%
Earnings before income taxes	2,622	2,629	(0.3)%
Provision for income taxes	730	775	(5.8)%
Net earnings	1,892	1,854	2.0%
Net earnings attributable to noncontrolling interests	70	56	25.0%
Net earnings attributable to PMI	1,822	1,798	1.3%
Basic earnings per share	0.99	0.93	6.5%
Diluted earnings per share	0.99	0.93	6.5%

■ Results by Business Segment	For the Quarters Ended September 30,			
	2010	2009	% Change	Excluding Currency
European Union				
Net revenues	\$7,045 ⁽¹⁾	\$7,783	(9.5)%	(0.1)%
Net revenues, excluding excise taxes on products	2,139	2,408	(11.2)%	(1.8)%
Operating companies income ⁽²⁾	1,113	1,267	(12.2)%	(3.8)%
Eastern Europe, Middle East & Africa (EEMA)				
Net revenues	4,184 ⁽¹⁾	3,722	12.4%	15.5%
Net revenues, excluding excise taxes on products	1,896	1,830	3.6%	5.6%
Operating companies income ⁽²⁾	856	761	12.5%	8.3%
Asia				
Net revenues	3,629 ⁽¹⁾	3,170	14.5%	7.6%
Net revenues, excluding excise taxes on products	1,833	1,651	11.0%	5.0%
Operating companies income ⁽²⁾	690	653	5.7%	(6.4)%
Latin America & Canada				
Net revenues	2,078 ⁽¹⁾	1,898	9.5%	6.2%
Net revenues, excluding excise taxes on products	746	698	6.9%	3.2%
Operating companies income ⁽²⁾	244	226	8.0%	1.3%



■ Balance Sheet Highlights and Ratios	September 30,	December 31,
	2010	2009
Inventories	\$ 8,248	\$ 9,207
Property, plant and equipment, net	6,587	6,390
Total assets	36,879	34,552
Total debt	17,447	15,416
Total liabilities	30,757	28,407
Total stockholders' equity	4,923	6,145
Total debt to EBITDA	1.48 ⁽³⁾	1.42 ⁽³⁾
Net debt to EBITDA	1.18 ⁽³⁾	1.27 ⁽³⁾

■ Cash Flow Statement Highlights	For the Nine Months Ended September 30,	
	2010	2009
Net cash provided by operating activities	\$ 7,856	\$ 6,419
Capital expenditures	483	483
Long-term debt proceeds	1,130	2,987
Repurchases of common stock	3,863	4,258
Dividends paid	3,254	3,212

(1) 2010 Currency increased (decreased) net revenues as follows: European Union \$(728), EEMA \$(116), Asia \$219, Latin America & Canada \$63; totaling \$(562).

(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 September 30, (Unaudited)	2010	2009	% Change
Reported Diluted EPS	\$0.99	\$0.93	6.5%
Less:			
Currency Impact	0.02		
Reported Diluted EPS, Excluding Currency	\$0.97	\$0.93	4.3%

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

For the Quarters Ended September 30, (Unaudited)	2010	2009	% Change
Reported Diluted EPS	\$0.99	\$0.93	6.5%
Adjustments:			
Asset impairment and exit costs	0.01	—	
Adjusted Diluted EPS	\$1.00	\$0.93	7.5%
Less:			
Currency Impact	0.02		
Adjusted Diluted EPS, excluding Currency	\$0.98	\$0.93	5.4%

■ Adjustments for the Impact of Currency and Acquisitions

For the Quarters Ended September 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
\$ 7,045	\$ 4,906	\$2,139	\$(226)	\$2,365	\$ —	\$2,365	European Union	\$ 7,783	\$5,375	\$2,408	(11.2)%	(1.8)%	(1.8)%
4,184	2,288	1,896	(37)	1,933	29	1,904	EEMA	3,722	1,892	1,830	3.6%	5.6%	4.0%
3,629	1,796	1,833	99	1,734	146 ⁽¹⁾	1,588	Asia	3,170	1,519	1,651	11.0%	5.0%	(3.8)%
2,078	1,332	746	26	720	—	720	Latin America & Canada	1,898	1,200	698	6.9%	3.2%	3.2%
\$16,936	\$10,322	\$6,614	\$(138)	\$6,752	\$175	\$6,577	PMI Total	\$16,573	\$9,986	\$6,587	0.4%	2.5%	(0.2)%
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 excluding Currency & Acquisitions
\$1,113			\$(106)	\$1,219	\$ —	\$1,219	European Union		\$1,267	(12.2)%	(3.8)%	(3.8)%	
856			32	824	9	815	EEMA		761	12.5%	8.3%	7.1%	
690			79	611	36 ⁽¹⁾	575	Asia		653	5.7%	(6.4)%	(11.9)%	
244			15	229	(2)	231	Latin America & Canada		226	8.0%	1.3%	2.2%	
\$2,903			\$ 20	\$2,883	\$43	\$2,840	PMI Total		\$2,907	(0.1)%	(0.8)%	(2.3)%	

(1) Represents the business combination in the Philippines.

■ Reconciliation of Operating Companies Income to Operating Income

For the Quarters Ended September 30, (in millions) (Unaudited)	2010	2009	% Change
European Union	\$1,113	\$1,267	(12.2)%
EEMA	856	761	12.5%
Asia	690	653	5.7%
Latin America & Canada	244	226	8.0%
Operating Companies Income	\$2,903	\$2,907	(0.1)%
Amortization of intangibles	(22)	(18)	
General corporate expenses	(45)	(39)	
Operating Income	\$2,836	\$2,850	(0.5)%

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

(in millions, except ratios) (Unaudited)				
		September 30, 2010		For the Year Ended December 31, 2009
	October – December 2009	January – September 2010	12 months rolling	
Earnings before income taxes	\$2,216	\$7,797	\$10,013	\$ 9,243
Interest expense, net	225	660	885	797
Depreciation and amortization	246	677	923	853
EBITDA	\$2,687	\$9,134	\$11,821	\$10,893
		September 30, 2010	December 31, 2009	
Short-term borrowings		\$ 2,416	\$ 1,662	
Current portion of long-term debt		1,436	82	
Long-term debt		13,595	13,672	
Total Debt		\$17,447	\$15,416	
Less: Cash and cash equivalents		3,507	1,540	
Net Debt		\$13,940	\$13,876	
Ratios				
Total Debt to EBITDA		1.48	1.42	
Net Debt to EBITDA		1.18	1.27	