



# PHILIP MORRIS INTERNATIONAL

## INVESTOR FACT SHEET THIRD QUARTER 2009

### PROFILE

- 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
- We employ over 75,000 people — over 100 nationalities
- 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 15.6% cigarette market share outside the USA in 2008

### NEWS

■ **On October 22, 2009:**

PMI reported 2009 Third-Quarter results.

- Reported diluted earnings per share of \$0.93 were down 7.9% from \$1.01 in 2008. Excluding currency, reported diluted earnings per share were up 8.9%.
- Adjusted 2009 Third-Quarter diluted earnings per share of \$0.93 versus the same amount in 2008. Excluding currency, adjusted diluted earnings per share were up 18.3%.

Additional information is available at [www.pmintl.com/investors](http://www.pmintl.com/investors)

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

### 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.pmintl.com/investors](http://www.pmintl.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.

P.O. Box 43078

Providence, RI 02940-3078 USA

1-877-745-9350 (Within U.S. and Canada)

1-781-575-4310 (Outside U.S. and Canada)

E-mail address: [pmi@computershare.com](mailto:pmi@computershare.com)

## CONSOLIDATED FINANCIAL REVIEW

(in millions of dollars, except per share data)

■ SELECTED FINANCIAL HIGHLIGHTS	For the Quarters Ended September 30,		
	2009	2008	% Change
Net revenues	\$16,573	\$17,365	(4.6)%
Cost of sales	2,320	2,481	(6.5)%
Excise taxes on products	9,986	10,412	(4.1)%
Gross profit	4,267	4,472	(4.6)%
Operating income	2,850	2,890	(1.4)%
Earnings before income taxes	2,629	2,821	(6.8)%
Provision for income taxes	775	667	16.2%
Net earnings	1,854	2,154	(13.9)%
Net earnings attributable to noncontrolling interests	56	74	(24.3)%
Net earnings attributable to PMI	1,798	2,080	(13.6)%
Basic earnings per share	0.93	1.01	(7.9)%
Diluted earnings per share	0.93	1.01	(7.9)%

■ RESULTS BY BUSINESS SEGMENT	For the Quarters Ended September 30,			
	2009	2008	% Change	Excluding Currency
<b>European Union</b>				
Net revenues	\$ 7,783 <sup>(1)</sup>	\$ 8,451	(7.9)%	5.1%
Net revenues, excluding excise taxes on products	2,408	2,671	(9.8)%	1.5%
Operating companies income <sup>(2)</sup>	1,267	1,325	(4.4)%	6.7%
<b>Eastern Europe, Middle East &amp; Africa (EEMA)</b>				
Net revenues	3,722 <sup>(1)</sup>	4,163	(10.6)%	12.2%
Net revenues, excluding excise taxes on products	1,830	2,109	(13.2)%	6.9%
Operating companies income <sup>(2)</sup>	761	946	(19.6)%	11.1%
<b>Asia</b>				
Net revenues	3,170 <sup>(1)</sup>	3,188	(0.6)%	5.4%
Net revenues, excluding excise taxes on products	1,651	1,610	2.5%	3.0%
Operating companies income <sup>(2)</sup>	653	558	17.0%	9.1%
<b>Latin America &amp; Canada</b>				
Net revenues	1,898 <sup>(1)</sup>	1,563	21.4%	42.5%
Net revenues, excluding excise taxes on products	698	563	24.0%	43.5%
Operating companies income <sup>(2)</sup>	226	110	+100%	+100%



■ BALANCE SHEET HIGHLIGHTS AND RATIOS	September 30,	December 31,
	2009	2008
Property, plant and equipment, net	\$ 6,358	\$ 6,348
Inventories	8,877	9,664
Total assets	33,705	32,972
Total debt	14,251	11,961
Stockholders' equity	6,714	7,904
Total debt to EBITDA	1.34 to 1 <sup>(3)</sup>	1.08 to 1 <sup>(3)</sup>
Net debt to EBITDA	1.19 to 1 <sup>(3)</sup>	0.94 to 1 <sup>(3)</sup>

■ CASH FLOW STATEMENT HIGHLIGHTS	For the Nine Months Ended September 30,	
	2009	2008
Net cash provided by operating activities	\$ 6,419	\$ 7,102
Capital expenditures	483	824
Long-term debt proceeds	2,987	10,652
Repurchases of common stock	4,258	4,388
Dividends paid to public stockholders	3,212	956

(1) 2009 Currency decreased net revenues as follows: European Union \$(1,100), EEMA \$(948), Asia \$(189), Latin America & Canada \$(329); totaling \$(2,566).

(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

### Adjustments for the Impact of Currency and Acquisitions

For the Quarters Ended September 30, (in millions) (Unaudited)

2009							2008			% 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
\$ 7,783	\$5,375	\$2,408	\$(304)	\$2,712	\$ 12	\$2,700	\$ 8,451	\$ 5,780	\$2,671	(9.8)%	1.5%	1.1%
3,722	1,892	1,830	(425)	2,255	4	2,251	4,163	2,054	2,109	(13.2)%	6.9%	6.7%
3,170	1,519	1,651	(7)	1,658	—	1,658	3,188	1,578	1,610	2.5%	3.0%	3.0%
1,898	1,200	698	(110)	808	180	628	1,563	1,000	563	24.0%	43.5%	11.5%
\$16,573	\$9,986	\$6,587	\$(846)	\$7,433	\$196	\$7,237	\$17,365	\$10,412	\$6,953	(5.3)%	6.9%	4.1%

2009							2008			% 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 Operating Companies Income	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions			
\$1,267	\$(147)	\$1,414	\$ 9	\$1,405	\$1,325	\$1,325	(4.4)%	6.7%	6.0%			
761	(290)	1,051	5	1,046	946	946	(19.6)%	11.1%	10.6%			
653	44	609	—	609	558	558	17.0%	9.1%	9.1%			
226	(56)	282	77	205	110	110	+100%	+100%	86.4%			
\$2,907	\$(449)	\$3,356	\$91	\$3,265	\$2,939	\$2,939	(1.1)%	14.2%	11.1%			

### Reconciliation of Reported Operating Companies Income to Adjusted Operating Companies Income

For the Quarters Ended September 30, (in millions) (Unaudited)

2009							2008			% Change in Adjusted Operating Companies Income		
Reported Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisitions	Adjusted Operating Companies Income excluding Currency & Acquisitions	Reported Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions
\$1,267	\$(1)	\$1,268	\$(147)	\$1,415	\$ 9	\$1,406	\$1,325	\$(10)	\$1,335	(5.0)%	6.0%	5.3%
761	—	761	(290)	1,051	5	1,046	946	—	946	(19.6)%	11.1%	10.6%
653	—	653	44	609	—	609	558	—	558	17.0%	9.1%	9.1%
226	—	226	(56)	282	77	205	110	(3)	113	100.0%	+100%	81.4%
\$2,907	\$(1)	\$2,908	\$(449)	\$3,357	\$91	\$3,266	\$2,939	\$(13)	\$2,952	(1.5)%	13.7%	10.6%

### Reconciliation of Adjusted Operating Companies Income Margin Excluding Currency

For the Quarters Ended September 30, (in millions) (Unaudited)

2009			2008			% Points Change	
Adjusted Operating Companies Income excluding Currency <sup>(1)</sup>	Net Revenues excluding Excise Taxes & Currency <sup>(2)</sup>	Adjusted Operating Companies Income Margin excluding Currency	Adjusted Operating Companies Income <sup>(1)</sup>	Net Revenues excluding Excise Taxes <sup>(2)</sup>	Adjusted Operating Companies Income Margin	Adjusted Operating Companies Income Margin excluding Currency	
\$1,415	\$2,712	52.2%	\$1,335	\$2,671	50.0%	2.2pp	
1,051	2,255	46.6%	946	2,109	44.9%	1.7pp	
609	1,658	36.7%	558	1,610	34.7%	2.0pp	
282	808	34.9%	113	563	20.1%	14.8pp	
\$3,357	\$7,433	45.2%	\$2,952	\$6,953	42.5%	2.7pp	

(1) For the calculation, refer to Reconciliation of Reported Operating Companies Income to Adjusted Operating Companies Income above.

(2) For the calculation, refer to Adjustments for the Impact of Currency and Acquisitions above.

## RECONCILIATION OF NON-GAAP MEASURES (CONTINUED)

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

For the Quarters Ended September 30, (Unaudited)	2009	2008	% Change
<b>Reported Diluted EPS</b>	\$ 0.93	\$1.01	(7.9)%
Less:			
Asset impairment and exit costs	—	—	
Tax items	—	0.08	
<b>Adjusted Diluted EPS</b>	\$ 0.93	\$0.93	—
Less:			
Currency Impact	(0.17)		
<b>Adjusted Diluted EPS, Excluding Currency</b>	\$ 1.10	\$0.93	18.3%

### Reconciliation of Reported Diluted EPS to Reported Diluted EPS, Excluding Currency

For the Quarters Ended September 30, (Unaudited)	2009	2008	% Change
<b>Reported Diluted EPS</b>	\$ 0.93	\$1.01	(7.9)%
Less:			
Currency Impact	(0.17)		
<b>Reported Diluted EPS, Excluding Currency</b>	\$ 1.10	\$1.01	8.9%

### Reconciliation of Operating Companies Income to Operating Income

For the Quarters Ended September 30, (Unaudited)	2009	2008	% Change
European Union	\$1,267	\$1,325	
EEEMA	761	946	
Asia	653	558	
Latin America & Canada	226	110	
<b>Operating Companies Income</b>	\$2,907	\$2,939	(1.1)%
Amortization of intangibles	(18)	(13)	
General corporate expenses	(39)	(36)	
<b>Operating Income</b>	\$2,850	\$2,890	(1.4)%

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

(in millions, except ratios) (Unaudited)

	September 30, 2009			For the Year Ended December 31, 2008
	October – December 2008	January – September 2009	12 months rolling	
Earnings before income taxes	\$2,120	\$7,027	\$ 9,147	\$ 9,937
Interest expense, net	106	572	678	311
Depreciation and amortization	217	607	824	842
<b>EBITDA</b>	\$2,443	\$8,206	\$10,649	\$11,090
			September 30, 2009	December 31, 2008
Short-term borrowings			\$ 313	\$ 375
Current portion of long-term debt			197	209
Long-term debt			13,741	11,377
<b>Total debt</b>			\$14,251	\$11,961
Less: Cash and cash equivalents			1,602	1,531
<b>Net Debt</b>			\$12,649	\$10,430
Ratios				
<b>Total Debt to EBITDA</b>			1.34	1.08
<b>Net Debt to EBITDA</b>			1.19	0.94