



## 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 28.1% excluding the People's Republic of China and the U.S. in 2011

## Highlights

### ■ On February 9, 2012:

PMI Reported 2011 Full-Year Results:

- Reported diluted earnings per share of \$4.85, up 23.7%, versus \$3.92 in 2010. Reported diluted earnings per share, excluding currency, of \$4.66, up 18.9%.
- Adjusted diluted earnings per share of \$4.88, up 26.1%, versus \$3.87 in 2010. Excluding currency, adjusted diluted earnings per share were up 21.2% to \$4.69.
- 2011 Cigarette shipment volume growth of 1.7% or 0.5%, excluding acquisitions.
- Exceeded its one-year gross productivity and cost savings target of \$250 million in 2011.
- Free cash flow for the full year, defined as net cash provided by operating activities less capital expenditures, up 10.4% to \$9.6 billion, or by 5.3% to \$9.2 billion excluding currency.
- During 2011, repurchased 80.5 million shares of its common stock for \$5.4 billion.
- During 2011, increased its regular quarterly dividend by 20.3% to an annualized rate of \$3.08 per common share.
- 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](http://www.pmi.com/investors)

## Shareholder Information

PM  
LISTED  
NYSE

■ 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](http://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.

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)

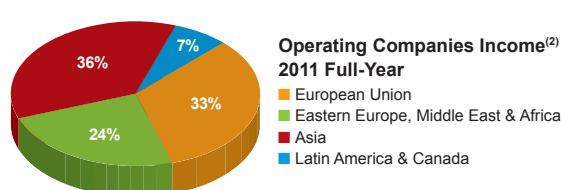
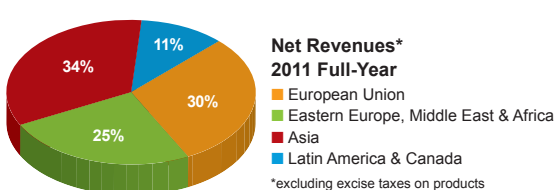
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# Consolidated Financial Review

(in millions of dollars, except per share data)

| ■ Selected Financial Highlights                       | For the Years Ended December 31, |          |          |
|---|----------------------------------|----------|----------|
|   | 2011                             | 2010     | % Change |
| Net revenues  | \$76,346                         | \$67,713 | 12.7%    |
| Cost of sales   | 10,678                           | 9,713    | 9.9%     |
| Excise taxes on products                              | 45,249                           | 40,505   | 11.7%    |
| Gross profit  | 20,419                           | 17,495   | 16.7%    |
| Operating income                                      | 13,332                           | 11,200   | 19.0%    |
| Earnings before income taxes                          | 12,532                           | 10,324   | 21.4%    |
| Provision for income taxes                            | 3,653                            | 2,826    | 29.3%    |
| Net earnings  | 8,879                            | 7,498    | 18.4%    |
| Net earnings attributable to noncontrolling interests | 288                              | 239      | 20.5%    |
| Net earnings attributable to PMI                      | 8,591                            | 7,259    | 18.3%    |
| Basic earnings per share                              | 4.85                             | 3.93     | 23.4%    |
| Diluted earnings per share                            | 4.85                             | 3.92     | 23.7%    |

| ■ Results by Business Segment                          | For the Years Ended December 31, |          |          |                    |
|--|----------------------------------|----------|----------|--------------------|
|  | 2011                             | 2010     | % Change | Excluding Currency |
| <b>European Union</b>                                  |                                  |          |          |                    |
| Net revenues   | \$29,768 <sup>(1)</sup>          | \$28,050 | 6.1%     | 1.0%               |
| Net revenues, excluding excise taxes on products       | 9,212                            | 8,811    | 4.6%     | (0.4)%             |
| Operating companies income <sup>(2)</sup>              | 4,560                            | 4,311    | 5.8%     | (0.6)%             |
| <b>Eastern Europe, Middle East &amp; Africa (EEMA)</b> |                                  |          |          |                    |
| Net revenues   | 17,452 <sup>(1)</sup>            | 15,928   | 9.6%     | 10.9%              |
| Net revenues, excluding excise taxes on products       | 7,881                            | 7,409    | 6.4%     | 5.7%               |
| Operating companies income <sup>(2)</sup>              | 3,229                            | 3,152    | 2.4%     | 5.5%               |
| <b>Asia</b>  |                                  |          |          |                    |
| Net revenues   | 19,590 <sup>(1)</sup>            | 15,235   | 28.6%    | 20.6%              |
| Net revenues, excluding excise taxes on products       | 10,705                           | 7,935    | 34.9%    | 26.2%              |
| Operating companies income <sup>(2)</sup>              | 4,836                            | 3,049    | 58.6%    | 45.5%              |
| <b>Latin America &amp; Canada</b>                      |                                  |          |          |                    |
| Net revenues   | 9,536 <sup>(1)</sup>             | 8,500    | 12.2%    | 10.4%              |
| Net revenues, excluding excise taxes on products       | 3,299                            | 3,053    | 8.1%     | 5.8%               |
| Operating companies income <sup>(2)</sup>              | 988                              | 953      | 3.7%     | 3.9%               |



| ■ Balance Sheet Highlights and Ratios | As of December 31,  |                     |
|---------------------------------------|---------------------|---------------------|
|                                       | 2011                | 2010                |
| Inventories                           | \$ 8,120            | \$ 8,317            |
| Property, plant and equipment, net    | 6,250               | 6,499               |
| Total assets                          | 35,488              | 35,050              |
| Total debt                            | 18,545              | 16,502              |
| Total liabilities                     | 33,725              | 29,929              |
| Total stockholders' equity            | 551                 | 3,933               |
| Total debt to EBITDA                  | 1.29 <sup>(3)</sup> | 1.36 <sup>(3)</sup> |
| Net debt to EBITDA                    | 1.12 <sup>(3)</sup> | 1.22 <sup>(3)</sup> |

| ■ Cash Flow Statement Highlights          | For the Years Ended December 31, |          |
|---|----------------------------------|----------|
|   | 2011                             | 2010     |
| Net cash provided by operating activities | \$10,529                         | \$ 9,437 |
| Capital expenditures                      | 897                              | 713      |
| Long-term debt proceeds                   | 3,767                            | 1,130    |
| Long-term debt repaid                     | 1,483                            | 183      |
| Repurchases of common stock               | 5,372                            | 5,030    |
| Dividends paid                            | 4,788                            | 4,423    |

(1) 2011 Currency increased (decreased) net revenues as follows: European Union \$1,438, EEMA \$(214), Asia \$1,210, Latin America & Canada \$150; totaling \$2,584.

(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 Reported Diluted EPS to Reported Diluted EPS, excluding Currency

| For the Years Ended December 31, (Unaudited)    | 2011   | 2010   | % Change |
|---|--------|--------|----------|
| <b>Reported Diluted EPS</b>                     | \$4.85 | \$3.92 | 23.7%    |
| Less:   |        |        |          |
| Currency Impact                                 | 0.19   |        |          |
| <b>Reported Diluted EPS, excluding Currency</b> | \$4.66 | \$3.92 | 18.9%    |

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

| For the Years Ended December 31, (Unaudited)    | 2011    | 2010    | % Change |
|---|---------|---------|----------|
| <b>Reported Diluted EPS</b>                     | \$ 4.85 | \$ 3.92 | 23.7%    |
| Adjustments:                                    |         |         |          |
| Asset impairment and exit costs                 | 0.05    | 0.02    |          |
| Tax items                                       | (0.02)  | (0.07)  |          |
| <b>Adjusted Diluted EPS</b>                     | \$ 4.88 | \$ 3.87 | 26.1%    |
| Less:   |         |         |          |
| Currency impact                                 | 0.19    |         |          |
| <b>Adjusted Diluted EPS, excluding Currency</b> | \$ 4.69 | \$ 3.87 | 21.2%    |

## ■ Reconciliation of Operating Companies Income to Operating Income

| For the Years Ended December 31, (in millions) (Unaudited) | 2011     | 2010     | % Change |
|--|----------|----------|----------|
| <b>Operating companies income</b>                          | \$13,613 | \$11,465 | 18.7%    |
| Amortization of intangibles                                | (98)     | (88)     |          |
| General corporate expenses                                 | (183)    | (177)    |          |
| <b>Operating income</b>                                    | \$13,332 | \$11,200 | 19.0%    |

## ■ Reconciliation of Operating Cash Flow to Free Cash Flow and Free Cash Flow, excluding Currency

| For the Years Ended December 31, (in millions) (Unaudited)     | 2011     | 2010    | % Change |
|--|----------|---------|----------|
| <b>Net cash provided by operating activities<sup>(a)</sup></b> | \$10,529 | \$9,437 | 11.6%    |
| Less:  |          |         |          |
| Capital expenditures   | 897      | 713     |          |
| <b>Free cash flow</b>  | \$ 9,632 | \$8,724 | 10.4%    |
| Less:  |          |         |          |
| Currency impact  | 444      |         |          |
| <b>Free cash flow, excluding currency</b>                      | \$ 9,188 | \$8,724 | 5.3%     |

(a) Operating cash flow.

## ■ Adjustments for the Impact of Currency and Acquisitions

For the Years Ended December 31,

| (in millions)<br>(Unaudited) |          |  |         |               |                    |   |                        | 2010                  |                   | % Change in Reported<br>Net Revenues<br>excluding Excise Taxes |                             |  |        |
|------------------------------|----------|--|---------|---------------|--------------------|---|------------------------|-----------------------|-------------------|--|-----------------------------|--|--------|
| 2011                         |          | Reported Net Revenues excluding Excise Taxes |         | Less Currency |                    | Reported Net Revenues excluding Excise Taxes, Currency & Acquisitions |                        | Reported Net Revenues | Less Excise Taxes | Reported Net Revenues excluding Excise Taxes                   | Reported excluding Currency | Reported excluding Currency & Acquisitions |        |
| \$29,768                     | \$20,556 | \$ 9,212                                     | \$ 440  | \$ 8,772      | \$ —               | \$ 8,772  | European Union         | \$28,050              | \$19,239          | \$ 8,811   | 4.6%                        | (0.4)%                                     | (0.4)% |
| 17,452                       | 9,571    | 7,881  | 49      | 7,832         | 25                 | 7,807   | EEMA                   | 15,928                | 8,519             | 7,409  | 6.4%                        | 5.7%                                       | 5.4%   |
| 19,590                       | 8,885    | 10,705                                       | 690     | 10,015        | 112 <sup>(1)</sup> | 9,903   | Asia                   | 15,235                | 7,300             | 7,935  | 34.9%                       | 26.2%                                      | 24.8%  |
| 9,536                        | 6,237    | 3,299  | 70      | 3,229         | —                  | 3,229   | Latin America & Canada | 8,500                 | 5,447             | 3,053  | 8.1%                        | 5.8%                                       | 5.8%   |
| \$76,346                     | \$45,249 | \$31,097                                     | \$1,249 | \$29,848      | \$137              | \$29,711  | PMI Total              | \$67,713              | \$40,505          | \$27,208   | 14.3%                       | 9.7%                                       | 9.2%   |

| (in millions)<br>(Unaudited) |       |  |                   |               |                        |   |       | 2010                                |                              | % Change in Reported<br>Operating<br>Companies Income |                             |  |
|------------------------------|-------|--|-------------------|---------------|------------------------|---|-------|-------------------------------------|------------------------------|---|-----------------------------|--|
| 2011                         |       | Reported Operating Companies Income excluding Currency |                   | Less Currency |                        | Reported Operating Companies Income excluding Currency & Acquisitions |       | Reported Operating Companies Income | Reported Operating Companies | Reported Operating Companies Income                   | Reported excluding Currency | Reported excluding Currency & Acquisitions |
| \$ 4,560                     | \$277 | \$ 4,283   | \$ (1)            | \$ 4,284      | European Union         | \$ 4,311  | 5.8%  | (0.6)%                              | (0.6)%                       |   |                             |  |
| 3,229                        | (97)  | 3,326  | (13)              | 3,339         | EEMA                   | 3,152   | 2.4%  | 5.5%                                | 5.9%                         |   |                             |  |
| 4,836                        | 400   | 4,436  | 28 <sup>(2)</sup> | 4,408         | Asia                   | 3,049   | 58.6% | 45.5%                               | 44.6%                        |   |                             |  |
| 988                          | (2)   | 990  | —                 | 990           | Latin America & Canada | 953   | 3.7%  | 3.9%                                | 3.9%                         |   |                             |  |
| \$13,613                     | \$578 | \$13,035   | \$ 14             | \$13,021      | PMI Total              | \$11,465  | 18.7% | 13.7%                               | 13.6%                        |   |                             |  |

(1) Includes the business combination in the Philippines (\$105).

(2) Includes the business combination in the Philippines (\$23).

# 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<br>December 31, 2011 | For the Year Ended<br>December 31, 2010 |
|--|---|---|
| Earnings before income taxes             | \$12,532                                | \$10,324                                |
| Interest expense, net                    | 800                                     | 876                                     |
| Depreciation and amortization            | 993                                     | 932                                     |
| <b>EBITDA</b>                            | <b>\$14,325</b>                         | <b>\$12,132</b>                         |
|  | December 31, 2011                       | December 31, 2010                       |
| Short-term borrowings                    | \$ 1,511                                | \$ 1,747                                |
| Current portion of long-term debt        | 2,206                                   | 1,385                                   |
| Long-term debt                           | 14,828                                  | 13,370                                  |
| <b>Total Debt</b>                        | <b>\$18,545</b>                         | <b>\$16,502</b>                         |
| Less: Cash and cash equivalents          | 2,550                                   | 1,703                                   |
| <b>Net Debt</b>                          | <b>\$15,995</b>                         | <b>\$14,799</b>                         |
| Ratios                                   |   |   |
| <b>Total Debt to EBITDA</b>              | <b>1.29</b>                             | <b>1.36</b>                             |
| <b>Net Debt to EBITDA</b>                | <b>1.12</b>                             | <b>1.22</b>                             |