



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 October 20, 2011:**
PMI Reported 2011 Third-Quarter Results:
 - Reported diluted earnings per share of \$1.35, versus \$0.99 in 2010. Reported diluted earnings per share, excluding currency, of \$1.31, up 32.3%.
 - Adjusted diluted earnings per share of \$1.37, versus \$1.00 in 2010. Excluding currency, adjusted diluted earnings per share were up 33.0% to \$1.33.
 - PMI narrowed its forecast for 2011 full-year reported diluted earnings per share from its previous guidance range of \$4.70 to \$4.80 to a range of \$4.75 to \$4.80, up by approximately 21% to 22.5% versus \$3.92 in 2010. Excluding a forecasted total favorable currency impact of approximately \$0.20 for the full-year 2011, reported diluted earnings per share are projected to increase by approximately 16% to 17.5% versus \$3.92 in 2010.
- Free cash flow for the first nine months of the year, defined as net cash provided by operating activities less capital expenditures, up 22.1% to \$9.0 billion.
- Repurchased 21.2 million shares of its common stock for \$1.4 billion during the quarter.
- Increased its regular quarterly dividend during the quarter 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

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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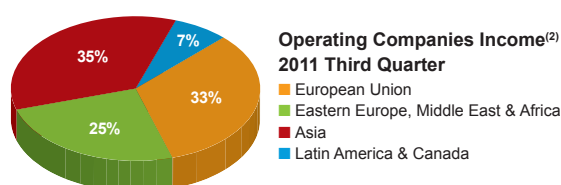
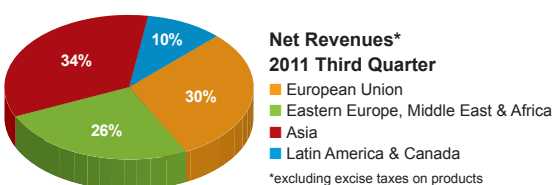
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Consolidated Financial Review

(in millions of dollars, except per share data)

■ Selected Financial Highlights	For the Quarters Ended September 30,		
	2011	2010	% Change
Net revenues	\$20,706	\$16,936	22.3%
Cost of sales	2,847	2,290	24.3%
Excise taxes on products	12,344	10,322	19.6%
Gross profit	5,515	4,324	27.5%
Operating income	3,677	2,836	29.7%
Earnings before income taxes	3,485	2,622	32.9%
Provision for income taxes	1,024	730	40.3%
Net earnings	2,461	1,892	30.1%
Net earnings attributable to noncontrolling interests	84	70	20.0%
Net earnings attributable to PMI	2,377	1,822	30.5%
Basic earnings per share	1.35	0.99	36.4%
Diluted earnings per share	1.35	0.99	36.4%

■ Results by Business Segment	For the Quarters Ended September 30,			
	2011	2010	% Change	Excluding Currency
European Union				
Net revenues	\$8,155 ⁽¹⁾	\$7,045	15.8%	0.7%
Net revenues, excluding excise taxes on products	2,506	2,139	17.2%	2.2%
Operating companies income ⁽²⁾	1,262	1,113	13.4%	4.0%
Eastern Europe, Middle East & Africa (EEMA)				
Net revenues	4,921 ⁽¹⁾	4,184	17.6%	15.0%
Net revenues, excluding excise taxes on products	2,210	1,896	16.6%	11.9%
Operating companies income ⁽²⁾	925	856	8.1%	11.8%
Asia				
Net revenues	5,143 ⁽¹⁾	3,629	41.7%	28.9%
Net revenues, excluding excise taxes on products	2,799	1,833	52.7%	39.2%
Operating companies income ⁽²⁾	1,309	690	89.7%	74.6%
Latin America & Canada				
Net revenues	2,487 ⁽¹⁾	2,078	19.7%	14.4%
Net revenues, excluding excise taxes on products	847	746	13.5%	8.3%
Operating companies income ⁽²⁾	255	244	4.5%	4.5%



■ Balance Sheet Highlights and Ratios	September 30,	December 31,
	2011	2010
Inventories	\$ 7,453	\$ 8,317
Property, plant and equipment, net	6,411	6,499
Total assets	36,220	35,050
Total debt	17,759	16,502
Total liabilities	32,566	29,929
Total stockholders' equity	2,438	3,933
Total debt to EBITDA	1.26 ⁽³⁾	1.36 ⁽³⁾
Net debt to EBITDA	1.02 ⁽³⁾	1.22 ⁽³⁾

■ Cash Flow Statement Highlights	For the Nine Months Ended September 30,	
	2011	2010
Net cash provided by operating activities	\$ 9,568	\$ 7,856
Capital expenditures	568	483
Long-term debt proceeds	1,606	1,130
Long-term debt repaid	1,464	68
Repurchases of common stock	4,367	3,863
Dividends paid	3,441	3,254

(1) 2011 Currency increased net revenues as follows: European Union \$1,061, EEMA \$108, Asia \$467, Latin America & Canada \$109; totaling \$1,745.

(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 September 30, (in millions) (Unaudited)	2011	2010	% Change
Operating companies income	\$3,751	\$2,903	29.2%
Amortization of intangibles	(25)	(22)	
General corporate expenses	(49)	(45)	
Operating income	\$3,677	\$2,836	29.7%

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

For the Nine Months Ended September 30, (in millions) (Unaudited)	2011	2010	% Change
Net cash provided by operating activities^(a)	\$9,568	\$7,856	21.8%
Less:			
Capital expenditures	568	483	
Free Cash Flow	\$9,000	\$7,373	22.1%

(a) Operating cash flow

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

For the Quarters Ended September 30, (Unaudited)	2011	2010	% Change
Reported Diluted EPS	\$ 1.35	\$0.99	36.4%
Adjustments:			
Asset impairment and exit costs	0.02	0.01	
Tax items	—	—	
Adjusted Diluted EPS	\$ 1.37	\$1.00	37.0%
Less:			
Currency impact	0.04	—	
Adjusted Diluted EPS, excluding Currency	\$ 1.33	\$1.00	33.0%

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

For the Quarters Ended September 30, (Unaudited)	2011	2010	% Change
Reported Diluted EPS	\$1.35	\$0.99	36.4%
Less:			
Currency Impact	0.04	—	
Reported Diluted EPS, excluding Currency	\$1.31	\$0.99	32.3%

■ Adjustments for the Impact of Currency and Acquisitions

For the Quarters Ended September 30,

(in millions) (Unaudited)		2011					2010					% 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 excl Currency	Reported excl Currency & Acquisitions	Reported	Reported excl Currency	Reported excl Currency & Acquisitions
\$ 8,155	\$ 5,649	\$2,506	\$321	\$2,185	\$ —	\$2,185	\$ 7,045	\$ 4,906	\$2,139	17.2%	2.2%	2.2%		
4,921	2,711	2,210	89	2,121	13	2,108	4,184	2,288	1,896	16.6%	11.9%	11.2%		
5,143	2,344	2,799	248	2,551	2	2,549	3,629	1,796	1,833	52.7%	39.2%	39.1%		
2,487	1,640	847	39	808	—	808	2,078	1,332	746	13.5%	8.3%	8.3%		
\$20,706	\$12,344	\$8,362	\$697	\$7,665	\$15	\$7,650	PMI Total	\$16,936	\$10,322	\$6,614	26.4%	15.9%	15.7%	

(in millions) (Unaudited)		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	Less Currency	Reported Operating Companies Income excluding Currency	Reported excl Currency	Reported excl Currency & Acquisitions	Reported	Reported excl Currency	Reported excl Currency & Acquisitions
\$1,262	\$105	\$1,157	\$ —	\$1,157	\$ —	\$1,157	\$1,113	\$134	\$979	13.4%	4.0%	4.0%		
925	(32)	957	(13)	970	(13)	970	856	81	775	8.1%	11.8%	13.3%		
1,309	104	1,205	2	1,203	2	1,203	690	89.7%	74.6%	74.6%	74.3%			
255	—	255	—	255	—	255	244	4.5%	4.5%	4.5%	4.5%			
\$3,751	\$177	\$3,574	\$(11)	\$3,585	\$(11)	\$3,585	PMI Total	\$2,903	29.2%	23.1%	23.5%			

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 September 30, 2011			For the Year Ended December 31, 2010
	October – December 2010	January – September 2011	12 months rolling	
Earnings before income taxes	\$2,527	\$ 9,783	\$12,310	\$10,324
Interest expense, net	216	613	829	876
Depreciation and amortization	255	743	998	932
EBITDA	\$2,998	\$11,139	\$14,137	\$12,132
			September 30, 2011	December 31, 2010
Short-term borrowings			\$ 2,563	\$ 1,747
Current portion of long-term debt			2,326	1,385
Long-term debt			12,870	13,370
Total Debt			\$17,759	\$16,502
Less: Cash and cash equivalents			3,391	1,703
Net Debt			\$14,368	\$14,799
Ratios				
Total Debt to EBITDA			1.26	1.36
Net Debt to EBITDA			1.02	1.22