



## PHILIP MORRIS INTERNATIONAL

### Profile

- Philip Morris International Inc. (PMI) is a 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 October 18, 2012:**

PMI Reported 2012 Third-Quarter results:

- Reported diluted earnings per share of \$1.32, versus \$1.35 in 2011. Reported diluted earnings per share, excluding currency, up 3.0% to \$1.39.
- Adjusted diluted earnings per share of \$1.38, versus \$1.37 in 2011. Excluding currency, adjusted diluted earnings per share were up 5.8% to \$1.45.
- During the third quarter of 2012, PMI spent \$1.5 billion to repurchase 16.7 million shares of its common stock. PMI has a share repurchase target for 2012 of \$6 billion.

- Increased its regular quarterly dividend by 10.4% to an annualized rate of \$3.40 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



• 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.

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# Consolidated Financial Review

(in millions of dollars, except per share data)

● Selected Financial Highlights	For the Quarters Ended September 30,		
	2012	2011	% Change
Net revenues	\$19,592	\$20,706	(5.4)%
Cost of sales	2,584	2,847	(9.2)%
Excise taxes on products	11,672	12,344	(5.4)%
Gross profit	5,336	5,515	(3.2)%
Operating income	3,623	3,677	(1.5)%
Earnings before income taxes	3,412	3,485	(2.1)%
Provision for income taxes	1,088	1,024	6.3%
Net earnings	2,324	2,461	(5.6)%
Net earnings attributable to noncontrolling interests	97	84	15.5%
Net earnings attributable to PMI	2,227	2,377	(6.3)%
Basic earnings per share	1.32	1.35	(2.2)%
Diluted earnings per share	1.32	1.35	(2.2)%

● Results by Business Segment	For the Quarters Ended September 30,			
	2012	2011	% Change	Excluding Currency
<b>European Union</b>				
Net revenues	\$6,904 <sup>(1)</sup>	\$8,155	(15.3)%	(1.4)%
Net revenues, excluding excise taxes on products	2,125	2,506	(15.2)%	(1.9)%
Operating companies income <sup>(2)</sup>	1,085	1,262	(14.0)%	(2.1)%
<b>Eastern Europe, Middle East &amp; Africa (EEMA)</b>				
Net revenues	5,125 <sup>(1)</sup>	4,921	4.1%	15.5%
Net revenues, excluding excise taxes on products	2,207	2,210	(0.1)%	9.4%
Operating companies income <sup>(2)</sup>	1,047	925	13.2%	19.6%
<b>Asia</b>				
Net revenues	5,174 <sup>(1)</sup>	5,143	0.6%	5.9%
Net revenues, excluding excise taxes on products	2,761	2,799	(1.4)%	2.4%
Operating companies income <sup>(2)</sup>	1,297	1,309	(0.9)%	(0.2)%
<b>Latin America &amp; Canada</b>				
Net revenues	2,389 <sup>(1)</sup>	2,487	(3.9)%	6.7%
Net revenues, excluding excise taxes on products	827	847	(2.4)%	7.3%
Operating companies income <sup>(2)</sup>	267	255	4.7%	11.4%



● Balance Sheet Highlights and Ratios	September 30, 2012	December 31, 2011
Inventories	\$ 8,243	\$ 8,120
Property, plant and equipment, net	6,364	6,250
Total assets	38,309	35,488
Total debt	22,436	18,545
Total liabilities	38,193	33,725
Total stockholders' (deficit) equity	(1,160)	551
Total debt to EBITDA	1.55 <sup>(3)</sup>	1.29 <sup>(3)</sup>
Net debt to EBITDA	1.22 <sup>(3)</sup>	1.12 <sup>(3)</sup>

● Cash Flow Statement Highlights	For the Nine Months Ended September 30,	
	2012	2011
Net cash provided by operating activities	\$ 7,771	\$ 9,568
Capital expenditures	719	568
Long-term debt proceeds	5,516	1,606
Long-term debt repaid	2,237	1,464
Repurchases of common stock	4,557	4,367
Dividends paid	3,973	3,441

(1) 2012 Currency decreased net revenues as follows: European Union \$(1,135), EEMA \$(559), Asia \$(273), Latin America & Canada \$(265); totaling \$(2,232).

(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.

