



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 May 9, 2012:**
 - PMI held its Annual Meeting of Stockholders in New York. Louis C. Camilleri, Chairman and Chief Executive Officer, highlights the company's key achievements in 2011 and reaffirmed the company's steadfast commitment to deliver superior returns to its shareholders.
- **On April 19, 2012:**
 - PMI Reported 2012 First-Quarter Results:
 - Reported and adjusted diluted earnings per share of \$1.25, up by 17.9% vs. \$1.06 in 2011. Reported diluted earnings per share excluding currency up 19.8% to \$1.27.
- Repurchased 18.1 million shares of its common stock for \$1.5 billion.
- 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 our filings with the Securities and Exchange Commission and other publications and reports, 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.
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

Consolidated Financial Review

(in millions of dollars, except per share data)

● Selected Financial Highlights	For the Quarters Ended March 31,		
	2012	2011	% Change
Net revenues	\$18,022	\$16,530	9.0%
Cost of sales	2,442	2,295	6.4%
Excise taxes on products	10,574	9,739	8.6%
Gross profit	5,006	4,496	11.3%
Operating income	3,403	3,007	13.2%
Earnings before income taxes	3,190	2,794	14.2%
Provision for income taxes	958	807	18.7%
Net earnings	2,232	1,987	12.3%
Net earnings attributable to noncontrolling interests	71	68	4.4%
Net earnings attributable to PMI	2,161	1,919	12.6%
Basic earnings per share	1.25	1.06	17.9%
Diluted earnings per share	1.25	1.06	17.9%

● Results by Business Segment	For the Quarters Ended March 31,			
	2012	2011	% Change	Excluding Currency
European Union				
Net revenues	\$6,470 ⁽¹⁾	\$6,415	0.9%	4.2%
Net revenues, excluding excise taxes on products	2,053	2,001	2.6%	5.3%
Operating companies income ⁽²⁾	1,030	1,006	2.4%	4.9%
Eastern Europe, Middle East & Africa (EEMA)				
Net revenues	4,069 ⁽¹⁾	3,671	10.8%	19.4%
Net revenues, excluding excise taxes on products	1,835	1,687	8.8%	13.1%
Operating companies income ⁽²⁾	810	722	12.2%	18.3%
Asia				
Net revenues	5,177 ⁽¹⁾	4,288	20.7%	18.8%
Net revenues, excluding excise taxes on products	2,777	2,323	19.5%	16.4%
Operating companies income ⁽²⁾	1,407	1,093	28.7%	23.9%
Latin America & Canada				
Net revenues	2,306 ⁽¹⁾	2,156	7.0%	13.4%
Net revenues, excluding excise taxes on products	783	780	0.4%	5.4%
Operating companies income ⁽²⁾	237	251	(5.6)%	1.2%



● Balance Sheet Highlights and Ratios	March 31, 2012	December 31, 2011
Inventories	\$ 7,311	\$ 8,120
Property, plant and equipment, net	6,445	6,250
Total assets	36,399	35,488
Total debt	20,841	18,545
Total liabilities	34,784	33,725
Total stockholders' equity	378	551
Total debt to EBITDA	1.42 ⁽³⁾	1.29 ⁽³⁾
Net debt to EBITDA	1.17 ⁽³⁾	1.12 ⁽³⁾

● Cash Flow Statement Highlights	For the Quarters Ended March 31,	
	2012	2011
Net cash provided by operating activities	\$ 1,898	\$ 2,395
Capital expenditures	227	159
Long-term debt proceeds	1,220	—
Repurchases of common stock	1,427	1,308
Dividends paid	1,338	1,159

(1) 2012 Currency (decreased) increased net revenues as follows: European Union \$(214), EEMA \$(316), Asia \$81, Latin America & Canada \$(138); totaling \$(587).

(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 Operating Companies Income to Operating Income

For the Quarters Ended March 31, (in millions) (unaudited)	2012	2011	% Change
Operating companies income	\$3,484	\$3,072	13.4%
Amortization of intangibles	(24)	(24)	
General corporate expenses	(57)	(41)	
Operating income	\$3,403	\$3,007	13.2%

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

For the Quarters Ended March 31, (unaudited)	2012	2011	% Change
Reported Diluted EPS	\$ 1.25	\$ 1.06	17.9%
Adjustments:			
Asset impairment and exit costs	—	0.01	
Tax items	—	(0.01)	
Adjusted Diluted EPS	\$ 1.25	\$ 1.06	17.9%
Less:			
Currency impact	(0.02)		
Adjusted Diluted EPS, excluding Currency	\$ 1.27	\$ 1.06	19.8%

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

For the Quarters Ended March 31, (unaudited)	2012	2011	% Change
Reported Diluted EPS	\$ 1.25	\$1.06	17.9%
Less:			
Currency Impact	(0.02)		
Reported Diluted EPS, excluding Currency	\$ 1.27	\$1.06	19.8%

● Adjustments for the Impact of Currency and Acquisitions

For the Quarters Ended March 31,

(in millions) (Unaudited)									% Change in Reported Net Revenues excluding Excise Taxes				
2012							2011						
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	
\$ 6,470	\$ 4,417	\$2,053	\$(54)	\$2,107	\$ —	\$2,107	European Union	\$ 6,415	\$4,414	\$2,001	2.6%	5.3%	5.3%
4,069	2,234	1,835	(73)	1,908	9	1,899	EEMA	3,671	1,984	1,687	8.8%	13.1%	12.6%
5,177	2,400	2,777	74	2,703	1	2,702	Asia	4,288	1,965	2,323	19.5%	16.4%	16.3%
2,306	1,523	783	(39)	822	—	822	Latin America & Canada	2,156	1,376	780	0.4%	5.4%	5.4%
\$18,022	\$10,574	\$7,448	\$(92)	\$7,540	\$10	\$7,530	PMI Total	\$16,530	\$9,739	\$6,791	9.7%	11.0%	10.9%

2012							2011		% 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	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions	
\$1,030	\$(25)	\$1,055	\$ —	\$1,055	—	\$1,055	European Union	\$1,006	2.4%	4.9%	4.9%
810	(44)	854	—	854	—	854	EEMA	722	12.2%	18.3%	18.3%
1,407	53	1,354	—	1,354	—	1,354	Asia	1,093	28.7%	23.9%	23.9%
237	(17)	254	—	254	—	254	Latin America & Canada	251	(5.6)%	1.2%	1.2%
\$3,484	\$(33)	\$3,517	\$ —	\$3,517	—	\$3,517	PMI Total	\$3,072	13.4%	14.5%	14.5%

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

(in millions, except ratios) (Unaudited)

	For the Year Ended March 31, 2012			For the Year Ended December 31, 2011
	April – December 2011	January – March 2012	12 months rolling	
Earnings before income taxes	\$ 9,738	\$3,190	\$12,928	\$12,532
Interest expense, net	587	213	800	800
Depreciation and amortization	754	227	981	993
EBITDA	\$11,079	\$3,630	\$14,709	\$14,325
			March 31, 2012	December 31, 2011
Short-term borrowings			\$ 4,085	\$ 1,511
Current portion of long-term debt			1,410	2,206
Long-term debt			15,346	14,828
Total Debt			\$20,841	\$18,545
Less: Cash and cash equivalents			3,576	2,550
Net Debt			\$17,265	\$15,995
Ratios				
Total Debt to EBITDA			1.42	1.29
Net Debt to EBITDA			1.17	1.12