



Investor Fact Sheet – Full-Year 2013



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 more than 180 markets
- We own 7 of the top 15 international cigarette brands in the world
- We held an estimated 15.7% share of the total international cigarette market outside the U.S., or 28.2% excluding the People's Republic of China and the U.S. in 2013

Highlights

■ On February 6, 2014:

PMI Reported 2013 Full-Year Results:

- Reported diluted earnings per share of \$5.26, up 1.7%, versus \$5.17 in 2012.
- Adjusted diluted earnings per share of \$5.40, up 3.4%, versus \$5.22 in 2012. Excluding currency, adjusted diluted earnings per share up 10.0% to \$5.74.
- In 2013, Cigarette shipment volume down 2.7%, excluding the Philippines.
- During 2013, PMI increased its regular quarterly dividend by 10.6% to an annualized rate of \$3.76 per common share.
- During 2013, PMI repurchased 67.2 million shares of its common stock for \$6.0 billion.
- On December 12, 2013, PMI acquired a 20% equity interest in Megapolis Distribution BV, the holding company of CJSC TK Megapolis, PMI's distributor in Russia, for \$750 million.
- 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 Years Ended December 31,		
	2013	2012 ⁽¹⁾	% Change
Net revenues	\$80,029	\$77,393	3.4 %
Cost of sales	10,410	10,373	0.4 %
Excise taxes on products ⁽²⁾	48,812	46,016	6.1 %
Gross profit	20,807	21,004	(0.9)%
Operating income	13,515	13,863	(2.5)%
Earnings before income taxes	12,542	13,004	(3.6)%
Provision for income taxes	3,670	3,833	(4.3)%
Equity (income)/loss in unconsolidated subsidiaries, net	22	17	29.4 %
Net earnings	8,850	9,154	(3.3)%
Net earnings attributable to noncontrolling interests	274	354	(22.6)%
Net earnings attributable to PMI	8,576	8,800	(2.5)%
Basic earnings per share	5.26	5.17	1.7 %
Diluted earnings per share	5.26	5.17	1.7 %

■ Results by Business Segment	For the Years Ended December 31,			
	2013	2012	% Change	Excluding Currency
European Union				
Net revenues	\$28,303 ⁽⁴⁾	\$27,338	3.5 %	1.1 %
Net revenues, excluding excise taxes on products	8,596	8,526	0.8 %	(1.6)%
Operating companies income ⁽³⁾	4,238	4,187	1.2 %	(1.0)%
Eastern Europe, Middle East & Africa (EEMA)				
Net revenues	20,695 ⁽⁴⁾	19,272	7.4 %	9.1 %
Net revenues, excluding excise taxes on products	8,766	8,332	5.2 %	6.4 %
Operating companies income ⁽³⁾	3,779	3,726	1.4 %	4.7 %
Asia				
Net revenues	20,987 ⁽⁴⁾	21,071	(0.4)%	5.3 %
Net revenues, excluding excise taxes on products	10,501	11,198	(6.2)%	0.3 %
Operating companies income ⁽³⁾	4,622	5,197	(11.1)%	(0.5)%
Latin America & Canada				
Net revenues	10,044 ⁽⁴⁾	9,712	3.4 %	9.1 %
Net revenues, excluding excise taxes on products	3,354	3,321	1.0 %	5.4 %
Operating companies income ⁽³⁾	1,134	1,043	8.7 %	14.9 %

(1) Certain amounts have been reclassified to conform with the current year's presentation due to the separate disclosure of equity (income)/loss in unconsolidated subsidiaries, net.

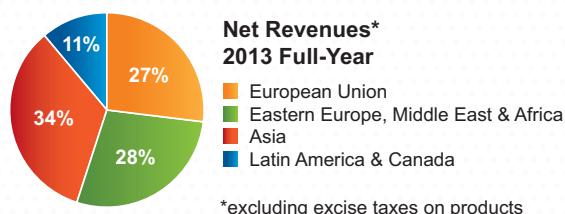
(2) The segment detail of excise taxes on products sold for the year ended 2013 and 2012 is shown in the Reconciliation of Non-GAAP Measures included at the end of this investor fact sheet.

(3) PMI's management evaluates segment performance and allocates resources based on operating companies income, which PMI defines as operating income, excluding general corporate expenses and amortization of intangibles, plus equity (income)/loss in unconsolidated subsidiaries, net. The reconciliation from operating income to operating companies income is shown in the Reconciliation of Non-GAAP Measures included at the end of this investor fact sheet.

(4) 2013 Currency increased (decreased) net revenues as follows: European Union \$677, EEMA \$(333), Asia \$(1,198), Latin America & Canada \$(548); totaling \$(1,402).

Consolidated Financial Review

(in millions of dollars, except per share data)



■ Balance Sheet Highlights and Ratios

	As of December 31,	
	2013	2012
Cash and cash equivalents	\$ 2,154	\$ 2,983
Receivables	3,853	3,589
Inventories	9,846	8,949
Property, plant and equipment, net	6,755	6,645
Goodwill	8,893	9,900
Other intangible assets, net	3,193	3,619
Investments in unconsolidated subsidiaries	1,536	24
Total assets	38,168	37,670
Total debt	27,678	22,839
Total liabilities	44,442	39,523
Total stockholders' deficit	(6,274)	(3,154)
Total debt to EBITDA	1.88 ⁽⁵⁾	1.54 ⁽⁵⁾
Net debt to EBITDA	1.74 ⁽⁵⁾	1.34 ⁽⁵⁾

■ Cash Flow Statement Highlights

	For the Years Ended December 31,	
	2013	2012
Net cash provided by operating activities	\$ 10,135	\$ 9,421
Capital expenditures	1,200	1,056
Investments in unconsolidated subsidiaries	1,418	6
Long-term debt proceeds	7,181	5,516
Long-term debt repaid	2,738	2,237
Repurchases of common stock	5,963	6,525
Dividends paid	5,720	5,404

(5) 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 Income to Operating Companies Income

For the Years Ended December 31, (in millions) (unaudited)	2013	2012	% Change
Operating income	\$13,515	\$13,863	(2.5)%
Excluding:			
Amortization of intangibles	93	97	
General corporate expenses (included in marketing, administration and research costs)	187	210	
Plus:			
Equity (income)/loss in unconsolidated subsidiaries, net	22	17	
Operating companies income	\$13,773	\$14,153	(2.7)%

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

For the Years Ended December 31, (unaudited)	2013	2012	% Change
Reported Diluted EPS	\$ 5.26	\$5.17	1.7 %
Adjustments:			
Asset impairment and exit costs	0.12	0.03	
Tax items	0.02	0.02	
Adjusted Diluted EPS	\$ 5.40	\$5.22	3.4 %
Less:			
Currency impact	(0.34)		
Adjusted Diluted EPS, excluding Currency	\$ 5.74	\$5.22	10.0 %

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

For the Years Ended December 31, (unaudited)	2013	2012	% Change
Reported Diluted EPS	\$ 5.26	\$5.17	1.7 %
Less:			
Currency impact	(0.34)		
Reported Diluted EPS, excluding Currency	\$ 5.60	\$5.17	8.3 %

■ Adjustments for the Impact of Currency and Acquisitions

For the Years Ended December 31,

(in millions) (unaudited)							2012			% Change in Reported Net Revenues excluding Excise Taxes			
2013		Reported Net Revenues excluding Excise Taxes & Currency		Reported Net Revenues excluding Excise Taxes & Currency		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	
Reported Net Revenues	Less Excise Taxes	Reported Net Revenues excluding Excise Taxes	Less Currency	Reported Net Revenues excluding Excise Taxes & Currency	Less Currency	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	
\$28,303	\$19,707	\$ 8,596	\$ 205	\$ 8,391	\$—	\$ 8,391	European Union	\$27,338	\$18,812	\$ 8,526	0.8 %	(1.6)%	(1.6)%
20,695	11,929	8,766	(98)	8,864	—	8,864	EEMA	19,272	10,940	8,332	5.2 %	6.4 %	6.4 %
20,987	10,486	10,501	(726)	11,227	—	11,227	Asia	21,071	9,873	11,198	(6.2)%	0.3 %	0.3 %
10,044	6,690	3,354	(146)	3,500	—	3,500	Latin America & Canada	9,712	6,391	3,321	1.0 %	5.4 %	5.4 %
\$80,029	\$48,812	\$31,217	\$(765)	\$31,982	\$—	\$31,982	PMI Total	\$77,393	\$46,016	\$31,377	(0.5)%	1.9 %	1.9 %

2013							2012			% Change in Reported Operating Companies Income		
2013		Reported Operating Companies Income excluding Currency		Reported Operating Companies Income excluding Currency		Reported Operating Companies Income excluding Currency & Acquisitions	Reported Operating Companies Income	Reported Operating Companies Income	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions	
Reported Operating Companies Income	Less Currency	Reported Operating Companies Income excluding Currency	Less Currency	Reported Operating Companies Income excluding Currency	Less Currency	Reported Operating Companies Income excluding Currency & Acquisitions	Reported Operating Companies Income	Reported Operating Companies Income	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions	
\$ 4,238	\$ 92	\$ 4,146	\$—	\$ 4,146	\$—	\$ 4,146	European Union	\$ 4,187	1.2 %	(1.0)%	(1.0)%	
3,779	(122)	3,901	—	3,901	—	3,901	EEMA	3,726	1.4 %	4.7 %	4.7 %	
4,622	(548)	5,170	—	5,170	—	5,170	Asia	5,197	(11.1)%	(0.5)%	(0.5)%	
1,134	(64)	1,198	—	1,198	—	1,198	Latin America & Canada	1,043	8.7 %	14.9 %	14.9 %	
\$13,773	\$(642)	\$14,415	\$—	\$14,415	\$—	\$14,415	PMI Total	\$14,153	(2.7)%	1.9 %	1.9 %	

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 December 31, 2013	For the Year Ended December 31, 2012 ⁽¹⁾
Earnings before income taxes	\$12,542	\$13,004
Interest expense, net	973	859
Depreciation and amortization	882	898
Extraordinary, unusual or non-recurring expenses, net ⁽²⁾	309	83
EBITDA⁽³⁾	\$14,706	\$14,844
	December 31, 2013	December 31, 2012 ⁽¹⁾
Short-term borrowings	\$ 2,400	\$ 2,419
Current portion of long-term debt	1,255	2,781
Long-term debt	24,023	17,639
Total Debt	\$27,678	\$22,839
Less: Cash and cash equivalents	2,154	2,983
Net Debt	\$25,524	\$19,856
Ratios		
Total Debt to EBITDA	1.88	1.54
Net Debt to EBITDA	1.74	1.34

(1) Certain amounts have been reclassified to conform with the current year's presentation due to the separate disclosure of equity (income)/loss in unconsolidated subsidiaries, net.

(2) Asset Impairment and Exit Costs at Operating Income level.

(3) On an adjusted basis.