



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 16.3% share of the total international cigarette market outside the U.S., or 28.8% excluding the People's Republic of China and the U.S. in 2012

Highlights

- **On July 18, 2013:**
PMI Reported 2013 Second-Quarter Results:
 - Reported diluted earnings per share of \$1.30, down 4.4% versus \$1.36 in 2012. Reported diluted earnings per share, excluding currency, up 0.7% to \$1.37.
 - Adjusted diluted earnings per share of \$1.30, down 4.4%, versus \$1.36 in 2012. Excluding currency, adjusted diluted earnings per share were up 0.7% to \$1.37.
 - During the quarter, repurchased 16.7 million shares of its common stock for \$1.5 billion. PMI has a share repurchase target for 2013 of \$6.0 billion.
 - During the quarter, PMI declared a regular quarterly dividend of \$0.85, representing an annualized rate of \$3.40 per common share.
- Additional information is available at www.pmi.com/investors
- During the quarter, PMI announced that Grupo Carso, S.A.B. de C.V. ("Grupo Carso") will sell to PMI its 20% interest in PMI's Mexican tobacco business. The final purchase price, estimated to be approximately \$700 million, will be determined by a pre-agreed formula. It is subject to a potential adjustment based on the actual performance of the Mexican tobacco business over the three-year period ending two fiscal years after the closing of the purchase. The transaction, as a result of which PMI will own 100% of its Mexican business, is expected to be completed by September 30, 2013, subject to the approval of the Mexican antitrust authority, and is projected to be marginally accretive to PMI's earnings per share as of the fourth quarter of 2013.
- A reconciliation of Non-GAAP Measures is included at the end of this investor fact sheet.

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.

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Consolidated Financial Review

(in millions of dollars, except per share data)

■ Selected Financial Highlights	For the Quarters Ended June 30,		
	2013	2012	% Change
Net revenues	\$20,483	\$20,037	2.2%
Cost of sales	2,701	2,666	1.3%
Excise taxes on products	12,566	11,917	5.4%
Gross profit	5,216	5,454	(4.4)%
Operating income	3,332	3,604	(7.5)%
Earnings before income taxes	3,086	3,395	(9.1)%
Provision for income taxes	892	988	(9.7)%
Net earnings	2,194	2,407	(8.8)%
Net earnings attributable to noncontrolling interests	70	90	(22.2)%
Net earnings attributable to PMI	2,124	2,317	(8.3)%
Basic earnings per share	1.30	1.36	(4.4)%
Diluted earnings per share	1.30	1.36	(4.4)%

■ Results by Business Segment	For the Quarters Ended June 30,			
	2013	2012	% Change	Excluding Currency
European Union				
Net revenues	\$7,245 ⁽¹⁾	\$7,280	(0.5)%	0.7%
Net revenues, excluding excise taxes on products	2,206	2,285	(3.5)%	(2.4)%
Operating companies income ⁽²⁾	1,082	1,117	(3.1)%	(3.3)%
Eastern Europe, Middle East & Africa (EEMA)				
Net revenues	5,377 ⁽¹⁾	5,062	6.2%	8.1%
Net revenues, excluding excise taxes on products	2,181	2,151	1.4%	3.7%
Operating companies income ⁽²⁾	945	948	(0.3)%	2.6%
Asia				
Net revenues	5,381 ⁽¹⁾	5,317	1.2%	4.9%
Net revenues, excluding excise taxes on products	2,692	2,855	(5.7)%	(0.8)%
Operating companies income ⁽²⁾	1,128	1,364	(17.3)%	(9.1)%
Latin America & Canada				
Net revenues	2,480 ⁽¹⁾	2,378	4.3%	8.6%
Net revenues, excluding excise taxes on products	838	829	1.1%	4.5%
Operating companies income ⁽²⁾	255	249	2.4%	5.6%



■ Balance Sheet Highlights and Ratios	June 30, 2013	December 31, 2012
Inventories	\$ 8,217	\$ 8,949
Property, plant and equipment, net	6,396	6,645
Total assets	37,140	37,670
Total debt	25,499	22,839
Total liabilities	41,069	39,523
Total stockholders' deficit	(5,225)	(3,154)
Total debt to EBITDA	1.76 ⁽³⁾	1.55 ⁽³⁾
Net debt to EBITDA	1.52 ⁽³⁾	1.35 ⁽³⁾

■ Cash Flow Statement Highlights	For the Six Months Ended June 30,	
	2013	2012
Net cash provided by operating activities	\$ 4,500	\$ 5,378
Capital expenditures	520	476
Long-term debt proceeds	5,205	2,981
Long-term debt repaid	2,738	1,725
Repurchases of common stock	3,028	3,059
Dividends paid	2,815	2,663

(1) 2013 Currency decreased net revenues as follows: European Union \$(87), EEMA \$(95), Asia \$(194), Latin America & Canada \$(103); totaling \$(479).

(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 June 30, (in millions) (unaudited)	2013	2012	% Change
Operating companies income	\$3,410	\$3,678	(7.3)%
Amortization of intangibles	(24)	(25)	
General corporate expenses	(54)	(49)	
Operating income	\$3,332	\$3,604	(7.5)%

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

For the Quarters Ended June 30, (unaudited)	2013	2012	% Change
Reported Diluted EPS	\$ 1.30	\$1.36	(4.4)%
Adjustments:			
Asset impairment and exit costs	—	—	
Tax items	—	—	
Adjusted Diluted EPS	\$ 1.30	\$1.36	(4.4)%
Less:			
Currency impact	(0.07)		
Adjusted Diluted EPS, excluding Currency	\$ 1.37	\$1.36	0.7%

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

For the Quarters Ended June 30, (unaudited)	2013	2012	% Change
Reported Diluted EPS	\$ 1.30	\$1.36	(4.4)%
Less:			
Currency impact	(0.07)		
Reported Diluted EPS, excluding Currency	\$ 1.37	\$1.36	0.7%

Adjustments for the Impact of Currency and Acquisitions

For the Quarters Ended June 30,

(in millions) (unaudited)		2013					2012					% 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	Reported excluding Currency	Reported excluding Currency & Acquisitions		
\$ 7,245	\$ 5,039	\$2,206	\$ (25)	\$2,231	\$—	\$2,231	European Union	\$ 7,280	\$ 4,995	\$2,285	(3.5)%	(2.4)%	(2.4)%	
5,377	3,196	2,181	(49)	2,230	—	2,230	EEMA	5,062	2,911	2,151	1.4%	3.7%	3.7%	
5,381	2,689	2,692	(141)	2,833	—	2,833	Asia	5,317	2,462	2,855	(5.7)%	(0.8)%	(0.8)%	
2,480	1,642	838	(28)	866	—	866	Latin America & Canada	2,378	1,549	829	1.1%	4.5%	4.5%	
\$20,483	\$12,566	\$7,917	\$(243)	\$8,160	\$—	\$8,160	PMI Total	\$20,037	\$11,917	\$8,120	(2.5)%	0.5%	0.5%	

(in millions) (unaudited)		2013					2012					% 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	Reported excluding Currency	Reported excluding Currency & Acquisitions		
\$1,082	\$ 2	\$1,080	\$—	\$1,080	\$—	\$1,080	European Union	\$1,117	(3.1)%	(3.3)%	(3.3)%	(3.3)%		
945	(28)	973	—	973	—	973	EEMA	948	(0.3)%	2.6%	2.6%	2.6%		
1,128	(112)	1,240	—	1,240	—	1,240	Asia	1,364	(17.3)%	(9.1)%	(9.1)%	(9.1)%		
255	(8)	263	—	263	—	263	Latin America & Canada	249	2.4%	5.6%	5.6%	5.6%		
\$3,410	\$(146)	\$3,556	\$—	\$3,556	\$—	\$3,556	PMI Total	\$3,678	(7.3)%	(3.3)%	(3.3)%	(3.3)%		

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

(in millions, except ratios) (unaudited)

	For the Year Ended June 30, 2013			For the Year Ended December 31, 2012
	July – December 2012	January – June 2013	12 months rolling	
Earnings before income taxes	\$6,402	\$6,237	\$12,639	\$12,987
Interest expense, net	437	482	919	859
Depreciation and amortization	449	441	890	898
EBITDA	\$7,288	\$7,160	\$14,448	\$14,744
			June 30, 2013	December 31, 2012
Short-term borrowings			\$ 2,684	\$ 2,419
Current portion of long-term debt			1,256	2,781
Long-term debt			21,559	17,639
Total Debt			\$25,499	\$22,839
Less: Cash and cash equivalents			3,586	2,983
Net Debt			\$21,913	\$19,856
Ratios				
Total Debt to EBITDA			1.76	1.55
Net Debt to EBITDA			1.52	1.35