

Investor Fact Sheet 2015 First-Quarter Report



PHILIP MORRIS INTERNATIONAL

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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 6 of the top 15 international cigarette brands in the world
- We held an estimated 15.6% share of the total international cigarette market outside the U.S., or 28.6% excluding the People's Republic of China and the U.S. in 2014

Highlights

■ On April 16, 2015:

- Reported diluted earnings per share of \$1.16, down by \$0.02 or 1.7% versus \$1.18 in 2014. Excluding unfavorable currency of \$0.31, reported diluted earnings per share up by \$0.29 or 24.6% versus \$1.18 in 2014.
- Adjusted diluted earnings per share of \$1.16, down by \$0.03 or 2.5% versus \$1.19 in 2014. Excluding unfavorable currency of \$0.31, adjusted diluted earnings per share up by \$0.28 or 23.5% versus \$1.19 in 2014.
- Cigarette shipment volume of 198.8 billion units, up by 1.4% excluding acquisitions.

- During the quarter, PMI declared a regular quarterly dividend of \$1.00, representing an annualized rate of \$4.00 per common share. Since its spin-off in March 2008, PMI has increased its regular quarterly dividend by 117.4% from the initial annualized rate of \$1.84 per common share. PMI did not make any share repurchases in the first quarter of 2015.
- 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 and NYSE Euronext/Paris (ticker symbol "PM"). The company is also listed on the SIX Swiss Exchange (ticker symbol "PMI").

■ 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 or you may download PMI's free Investor Relations Mobile Application at www.pmi.com/irapp

■ 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.

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Providence, RI 02940-3078 USA

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Consolidated Financial Review

(in millions of dollars, except per share data)

■ Selected Financial Highlights	For the Quarters Ended March 31,		
	2015	2014	% Change
Net revenues	\$17,352	\$17,779	(2.4)%
Cost of sales	2,229	2,374	(6.1)%
Excise taxes on products ⁽¹⁾	10,736	10,862	(1.2)%
Gross profit	4,387	4,543	(3.4)%
Operating income ⁽²⁾	2,871	2,951	(2.7)%
Earnings before income taxes	2,596	2,683	(3.2)%
Provision for income taxes	785	776	1.2 %
Equity (income)/loss in unconsolidated subsidiaries, net	(23)	(9)	
Net earnings	1,834	1,916	(4.3)%
Net earnings attributable to noncontrolling interests	39	41	(4.9)%
Net earnings attributable to PMI	1,795	1,875	(4.3)%
Basic earnings per share	1.16	1.18	(1.7)%
Diluted earnings per share	1.16	1.18	(1.7)%

■ Results by Business Segment	For the Quarters Ended March 31,			
	2015	2014	% Change	Excluding Currency
European Union				
Net revenues	\$5,940 ⁽³⁾	\$6,619	(10.3)%	3.2 %
Net revenues, excluding excise taxes on products	1,892	2,013	(6.0)%	7.8 %
Operating companies income ⁽²⁾	913	978	(6.6)%	12.9%
Eastern Europe, Middle East & Africa (EEMA)				
Net revenues	4,429 ⁽³⁾	4,562	(2.9)%	19.7 %
Net revenues, excluding excise taxes on products	1,843	2,009	(8.3)%	13.9 %
Operating companies income ⁽²⁾	880	927	(5.1)%	24.2 %
Asia				
Net revenues	4,764 ⁽³⁾	4,475	6.5 %	11.6 %
Net revenues, excluding excise taxes on products	2,155	2,182	(1.2)%	4.6 %
Operating companies income ⁽²⁾	934	915	2.1 %	10.7 %
Latin America & Canada				
Net revenues	2,219 ⁽³⁾	2,123	4.5 %	18.1 %
Net revenues, excluding excise taxes on products	726	713	1.8 %	14.2 %
Operating companies income ⁽²⁾	230	202	13.9 %	35.6 %

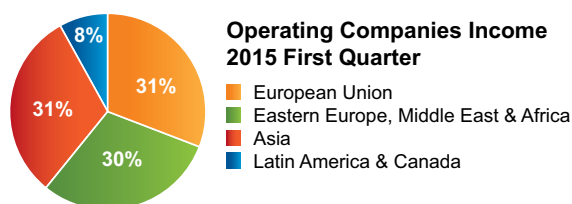
(1) The segment detail of excise taxes on products sold for the quarters ended March 31, 2015 and 2014 is shown in the Reconciliation of Non-GAAP Measures included at the end of this investor fact sheet.

(2) 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.

(3) 2015 Currency increased (decreased) net revenues as follows: European Union \$(890), EEMA \$(1,033), Asia \$(230), Latin America & Canada \$(288); totaling \$(2,441).

Consolidated Financial Review (CONTINUED)

(in millions of dollars, except per share data)



■ Balance Sheet Highlights and Ratios

	March 31, 2015	December 31, 2014
Cash and cash equivalents	\$ 1,524	\$ 1,682
Receivables	3,741	4,004
Inventories	7,552	8,592
Property, plant and equipment, net	5,697	6,071
Goodwill	7,920	8,388
Other intangible assets, net	2,855	2,985
Investments in unconsolidated subsidiaries	1,064	1,083
Total assets	33,255	35,187
Total debt	30,585	29,455
Total liabilities	45,501	46,390
Total stockholders' deficit	(12,246)	(11,203)
Total debt to Adjusted EBITDA	2.35 ⁽⁴⁾	2.24 ⁽⁴⁾
Net debt to Adjusted EBITDA	2.23 ⁽⁴⁾	2.12 ⁽⁴⁾

■ Cash Flow Statement Highlights

	For the Quarters Ended March 31,	
	2015	2014
Net cash (used in) provided by operating activities	\$ (375)	\$ 715
Capital expenditures	(203)	(256)
Long-term debt proceeds	302	2,359
Long-term debt repaid	(399)	(1,240)
Repurchases of common stock	(48)	(1,241)
Dividends paid	(1,555)	(1,503)

(4) For the calculation of Total Debt to Adjusted EBITDA and Net Debt to Adjusted 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 Quarters Ended March 31, (\$ in millions) (Unaudited)	2015	2014	% Change
Operating Income	\$2,871	\$2,951	(2.7)%
Excluding:			
Amortization of intangibles	22	22	
General corporate expenses (included in marketing, administration and research costs)	41	40	
Plus:			
Equity(income)/loss in unconsolidated subsidiaries, net	(23)	(9)	
Operating Companies Income	\$2,957	\$3,022	(2.2)%

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

For the Quarters Ended March 31, (Unaudited)	2015	2014	% Change
Reported Diluted EPS	\$1.16	\$1.18	(1.7)%
Adjustments:			
Asset impairment and exit costs	—	0.01	
Tax items	—	—	
Adjusted Diluted EPS	\$1.16	\$1.19	(2.5)%
Less:			
Currency impact	(0.31)		
Adjusted Diluted EPS, excluding Currency	\$1.47	\$1.19	23.5%

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

For the Quarters Ended March 31, (Unaudited)	2015	2014	% Change
Reported Diluted EPS	\$1.16	\$1.18	(1.7)%
Less:			
Currency Impact	(0.31)		
Reported Diluted EPS, excluding Currency	\$1.47	\$1.18	24.6%

■ Adjustments for the Impact of Currency and Acquisitions

For the Quarters Ended March 31,

(\$ in millions) (Unaudited)		2015					2014			% 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	
\$ 5,940	\$ 4,048	\$ 1,892	\$ (278)	\$ 2,170	\$ 7	\$ 2,163	European Union	\$ 6,619	\$ 4,606	\$ 2,013	(6.0)%	7.8%	7.5%
4,429	2,586	1,843	(445)	2,288	—	2,288	EEMA	4,562	2,553	2,009	(8.3)%	13.9%	13.9%
4,764	2,609	2,155	(128)	2,283	—	2,283	Asia	4,475	2,293	2,182	(1.2)%	4.6%	4.6%
2,219	1,493	726	(88)	814	1	813	Latin America & Canada	2,123	1,410	713	1.8%	14.2%	14.0%
\$17,352	\$10,736	\$ 6,616	\$ (939)	\$ 7,555	\$ 8	\$ 7,547	PMI Total	\$17,779	\$10,862	\$ 6,917	(4.4)%	9.2%	9.1%

		2015					2014			% 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		
\$ 913	\$ (191)	\$ 1,104	\$ —	\$ 1,104	\$ —	\$ 1,104	European Union	\$ 978	(6.6)%	12.9%	12.9%	
880	(271)	1,151	—	1,151	—	1,151	EEMA	927	(5.1)%	24.2%	24.2%	
934	(79)	1,013	—	1,013	—	1,013	Asia	915	2.1%	10.7%	10.7%	
230	(44)	274	1	273	1	273	Latin America & Canada	202	13.9%	35.6%	35.1%	
\$ 2,957	\$ (585)	\$ 3,542	\$ 1	\$ 3,541	\$ 1	\$ 3,541	PMI Total	\$ 3,022	(2.2)%	17.2%	17.2%	

Reconciliation of Non-GAAP Measures (CONTINUED)

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

(\$ in millions, except ratios) (Unaudited)	For the Year Ended March 31, 2015			For the Year Ended December 31, 2014
	April - December 2014	January - March 2015	12 months rolling	
Earnings before income taxes	\$ 7,967	\$ 2,596	\$ 10,563	\$ 10,650
Interest expense, net	784	275	1,059	1,052
Depreciation and amortization	678	192	870	889
Extraordinary, unusual or non-recurring expenses, net ⁽¹⁾	512	—	512	535
Adjusted EBITDA	\$ 9,941	\$ 3,063	\$ 13,004	\$ 13,126
			March 31, 2015	December 31, 2014
Short-term borrowings			\$ 3,384	\$ 1,208
Current portion of long-term debt			1,629	1,318
Long-term debt			25,572	26,929
Total Debt			\$ 30,585	\$ 29,455
Less: Cash and cash equivalents			1,524	1,682
Net Debt			\$ 29,061	\$ 27,773
Ratios				
Total Debt to Adjusted EBITDA			2.35	2.24
Net Debt to Adjusted EBITDA			2.23	2.12

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