



## Profile

- On March 28, 2008 Altria Group, Inc. completed the spin-off of Philip Morris International Inc. (PMI)
- PMI is an independent 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 27.6% excluding the People's Republic of China and the U.S. in 2010

## Highlights

### ■ On May 11, 2011:

PMI held its Annual Meeting of Stockholders in New York. Louis C. Camilleri, Chairman and Chief Executive Officer, highlighted the company's key achievements in 2010 and reaffirmed the company's steadfast commitment to deliver superior returns to its shareholders.

### ■ On April 21, 2011:

PMI Reported 2011 First-Quarter Results:

- Reported and adjusted diluted earnings per share of \$1.06, versus \$0.90 in 2010. Reported diluted earnings per share excluding currency of \$1.03, up 14.4%.
- PMI increased its forecast for 2011 full-year reported diluted earnings per share by \$0.20 to a range of \$4.55 to \$4.65, at prevailing exchange rates, versus \$3.92 in 2010.
- Free cash flow, defined as net cash provided by operating activities less capital expenditures, up 22.6% to \$2.2 billion.

- Repurchased 22.2 million shares of its common stock for \$1.36 billion.
- Announced an agreement to acquire the cigarette manufacturing assets and trademarks of International Tobacco & Cigarettes Company Ltd. (ITCC) in Jordan.
- 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 filings with the Securities and Exchange Commission, 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.

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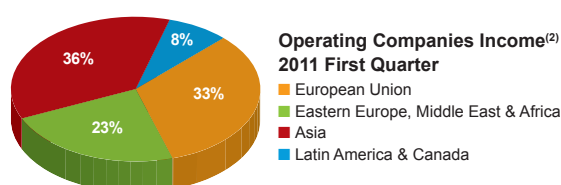
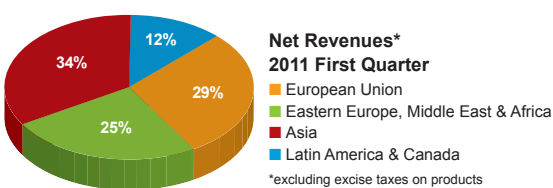
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# Consolidated Financial Review

(in millions of dollars, except per share data)

■ Selected Financial Highlights	For the Quarters Ended March 31,		
	2011	2010	% Change
Net revenues	\$16,530	\$15,587	6.0%
Cost of sales	2,295	2,372	(3.2)%
Excise taxes on products	9,739	9,091	7.1%
Gross profit	4,496	4,124	9.0%
Operating income	3,007	2,715	10.8%
Earnings before income taxes	2,794	2,492	12.1%
Provision for income taxes	807	738	9.3%
Net earnings	1,987	1,754	13.3%
Net earnings attributable to noncontrolling interests	68	51	33.3%
Net earnings attributable to PMI	1,919	1,703	12.7%
Basic earnings per share	1.06	0.90	17.8%
Diluted earnings per share	1.06	0.90	17.8%

■ Results by Business Segment	For the Quarters Ended March 31,			
	2011	2010	% Change	Excluding Currency
<b>European Union</b>				
Net revenues	\$6,415 <sup>(1)</sup>	\$6,748	(4.9)%	—
Net revenues, excluding excise taxes on products	2,001	2,184	(8.4)%	(3.5)%
Operating companies income <sup>(2)</sup>	1,006	1,062	(5.3)%	(3.3)%
<b>Eastern Europe, Middle East &amp; Africa (EEMA)</b>				
Net revenues	3,671 <sup>(1)</sup>	3,356	9.4%	11.9%
Net revenues, excluding excise taxes on products	1,687	1,746	(3.4)%	(1.7)%
Operating companies income <sup>(2)</sup>	722	770	(6.2)%	(4.7)%
<b>Asia</b>				
Net revenues	4,288 <sup>(1)</sup>	3,562	20.4%	13.8%
Net revenues, excluding excise taxes on products	2,323	1,873	24.0%	17.2%
Operating companies income <sup>(2)</sup>	1,093	724	51.0%	36.9%
<b>Latin America &amp; Canada</b>				
Net revenues	2,156 <sup>(1)</sup>	1,921	12.2%	9.4%
Net revenues, excluding excise taxes on products	780	693	12.6%	9.1%
Operating companies income <sup>(2)</sup>	251	217	15.7%	15.2%



■ Balance Sheet Highlights and Ratios	March 31, 2011	December 31, 2010
Inventories	\$ 8,271	\$ 8,317
Property, plant and equipment, net	6,678	6,499
Total assets	35,554	35,050
Total debt	16,852	16,502
Total liabilities	30,042	29,929
Total stockholders' equity	4,310	3,933
Total debt to EBITDA	1.35 <sup>(3)</sup>	1.36 <sup>(3)</sup>
Net debt to EBITDA	1.25 <sup>(3)</sup>	1.22 <sup>(3)</sup>

■ Cash Flow Statement Highlights	For the Quarters Ended March 31,	
	2011	2010
Net cash provided by operating activities	\$ 2,395	\$ 1,974
Capital expenditures	159	150
Long-term debt proceeds	—	1,130
Repurchases of common stock	1,308	1,724
Dividends paid	1,159	1,098

(1) 2011 Currency (decreased) increased net revenues as follows: European Union \$(328), EEMA \$(86), Asia \$235, Latin America & Canada \$54; totaling \$(125).

(2) PMI's management reviews operating companies income, which is defined as operating income before 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)	2011	2010	% Change
<b>Operating companies income</b>	\$3,072	\$2,773	10.8%
Amortization of intangibles	(24)	(20)	
General corporate expenses	(41)	(38)	
<b>Operating income</b>	\$3,007	\$2,715	10.8%

## ■ Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

For the Quarters Ended March 31, (in millions) (unaudited)	2011	2010	% Change
<b>Net cash provided by operating activities<sup>(a)</sup></b>	\$2,395	\$1,974	21.3%
Less:			
Capital expenditures	159	150	
<b>Free cash flow</b>	\$2,236	\$1,824	22.6%

(a) Operating cash flow

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

For the Quarters Ended March 31, (unaudited)	2011	2010	% Change
<b>Reported Diluted EPS</b>	\$ 1.06	\$0.90	17.8%
Adjustments:			
Tax items	(0.01)	—	
Asset impairment and exit costs	0.01	—	
<b>Adjusted Diluted EPS</b>	\$ 1.06	\$0.90	17.8%
Less:			
Currency impact	0.03	—	
<b>Adjusted Diluted EPS, excluding Currency</b>	\$ 1.03	\$0.90	14.4%

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

For the Quarters Ended March 31, (Unaudited)	2011	2010	% Change
<b>Reported Diluted EPS</b>	\$1.06	\$0.90	17.8%
Less:			
Currency Impact	0.03	—	
<b>Reported Diluted EPS, excluding Currency</b>	\$1.03	\$0.90	14.4%

## ■ 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		
2011								2010					
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
\$ 6,415	\$4,414	\$2,001	\$(106)	\$2,107	\$ —	\$2,107	European Union	\$ 6,748	\$4,564	\$2,184	(8.4)%	(3.5)%	(3.5)%
3,671	1,984	1,687	(29)	1,716	—	1,716	EEMA	3,356	1,610	1,746	(3.4)%	(1.7)%	(1.7)%
4,288	1,965	2,323	128	2,195	105 <sup>(1)</sup>	2,090	Asia	3,562	1,689	1,873	24.0%	17.2%	11.6%
2,156	1,376	780	24	756	—	756	Latin America & Canada	1,921	1,228	693	12.6%	9.1%	9.1%
\$16,530	\$9,739	\$6,791	\$ 17	\$6,774	\$105	\$6,669	PMI Total	\$15,587	\$9,091	\$6,496	4.5%	4.3%	2.7%

2011								2010			% 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		
\$1,006	\$(21)	\$1,027	\$ —	\$1,027	—	\$1,027	European Union	\$1,062	(5.3)%	(3.3)%	(3.3)%		
722	(12)	734	—	734	—	734	EEMA	770	(6.2)%	(4.7)%	(4.7)%		
1,093	102	991	23 <sup>(1)</sup>	968	—	968	Asia	724	51.0%	36.9%	33.7%		
251	1	250	—	250	—	250	Latin America & Canada	\$217	15.7%	15.2%	15.2%		
\$3,072	\$ 70	\$3,002	\$23	\$2,979	—	\$2,979	PMI Total	\$2,773	10.8%	8.3%	7.4%		

(1) Represents the business combination in the Philippines.

# 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 March 31, 2011			For the Year Ended December 31, 2010
	April – December 2010	January – March 2011	12 months rolling	
Earnings before income taxes	\$7,832	\$2,794	\$10,626	\$10,324
Interest expense, net	653	213	866	876
Depreciation and amortization	709	239	948	932
<b>EBITDA</b>	<b>\$9,194</b>	<b>\$3,246</b>	<b>\$12,440</b>	<b>\$12,132</b>
			March 31, 2011	December 31, 2010
Short-term borrowings			\$ 1,730	\$ 1,747
Current portion of long-term debt			3,237	1,385
Long-term debt			11,885	13,370
<b>Total Debt</b>			<b>\$16,852</b>	<b>\$16,502</b>
Less: Cash and cash equivalents			1,322	1,703
<b>Net Debt</b>			<b>\$15,530</b>	<b>\$14,799</b>
Ratios				
<b>Total Debt to EBITDA</b>			1.35	1.36
<b>Net Debt to EBITDA</b>			1.25	1.22