UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 21, 2011

Philip Morris International Inc.
(Exact name of registrant as specified in its charter)

Virginia	1-33708	13-3435103
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

120 Park Avenue, New York, New York	10017-5592
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (917) 663-2000

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On July 21, 2011, Philip Morris International Inc. (the "Company") issued a press release announcing its financial results for the quarter ended June 30, 2011 and held a live audio webcast to discuss such results. In connection with this webcast, the Company is furnishing to the Securities and Exchange Commission the following documents attached as exhibits to this Current Report on Form 8-K and incorporated herein by reference to this Item 2.02: the earnings release attached as Exhibit 99.1 hereto, the conference call transcript attached as Exhibit 99.2 hereto and the webcast slides attached as Exhibit 99.3 hereto.

In accordance with General Instruction B.2 of Form 8-K, the information in Item 2.02 of this Current Report on Form 8-K, including Exhibits 99.1, 99.2 and 99.3, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in Item 2.02 of this Current Report on Form 8-K shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as may be expressly set forth by specific reference in such filing or document.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1	Philip Morris International Inc. Press Release dated July 21, 2011 (furnished pursuant to Item 2.02)
99.2	Conference Call Transcript dated July 21, 2011 (furnished pursuant to Item 2.02)
99.3	Webcast Slides dated July 21, 2011 (furnished pursuant to Item 2.02)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PHILIP MORRIS INTERNATIONAL INC.

By: /s/ JERRY WHITSON
Name: Jerry Whitson
Title: Deputy General Counsel and Corporate Secretary

DATE: July 21, 2011

EXHIBIT INDEX

Exhibit No.	Description
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Exhibit 99.1

PRESS RELEASE

PHILIP MORRIS INTERNATIONAL

Investor Relations:
New York: +1 (917) 663 2233
Lausanne: +41 (0)58 242 4666

Media:
Lausanne: +41 (0)58 242 4500

PHILIP MORRIS INTERNATIONAL INC. (PMI) REPORTS 2011 SECOND-QUARTER RESULTS; INCREASES 2011 EPS GUIDANCE BY $0.15 TO A RANGE OF $4.70 TO $4.80

- Reported diluted earnings per share of $1.35, up by 26.2%, or by 14.0% excluding currency, versus $1.07 in 2010
- Adjusted diluted earnings per share of $1.34, as detailed in the attached Schedule 12, up by 34.0%, or by 21.0% excluding currency, versus $1.00 in 2010
- Reported net revenues, excluding excise taxes, up by 17.2% to $8.3 billion, or by 10.2% excluding currency
- Reported operating companies income up by 27.1% to $3.8 billion, or by 16.5% excluding currency
- Adjusted operating companies income, which reflects the items detailed in the attached Schedule 11, up by 27.2% to $3.8 billion, or by 16.5% excluding currency
- Operating income up by 27.7% to $3.7 billion
- Free cash flow for the first half of the year, defined as net cash provided by operating activities less capital expenditures, up by 20.5% to $6.2 billion, or by 15.4% excluding currency, as detailed in the attached Schedule 19
- Repurchased 22.7 million shares of its common stock for $1.5 billion during the quarter
- PMI increases its forecast for 2011 full-year reported diluted earnings per share by $0.15 to a range of $4.70 to $4.80, up by approximately 20% to 22.5% versus $3.92 in 2010
  - Approximately $0.10 of the increased guidance are attributable to an improved business outlook, driven largely by Japan, and approximately $0.05 reflect favorable currency at prevailing rates
  - Excluding a total favorable currency impact of approximately $0.25 for the full-year 2011, reported diluted earnings per share are projected to increase by approximately 13.5% to 16.0%, or by approximately 15.0% to 17.5% versus adjusted diluted earnings per share of $3.87 in 2010

NEW YORK, July 21, 2011 – Philip Morris International Inc. (NYSE / Euronext Paris: PM) today announced its 2011 second-quarter results.

"Our strong second-quarter results are testament to our continued growth momentum, particularly in Asia, strong pricing in numerous key markets and our excellent executional capability, as exemplified by our performance in Japan," said Louis C. Camilleri, Chairman and Chief Executive Officer.

"Our progress is such that we are again raising our EPS guidance for 2011, reflecting our confidence in the future."

Conference Call

A conference call, hosted by Hermann Waldemer, Chief Financial Officer, with members of the investment community and news media, will be webcast at 9:00 a.m., Eastern Time, on July 21, 2011. Access is available at www.pmi.com.

Dividends and Share Repurchase Program

During the second quarter, PMI spent $1.5 billion to repurchase 22.7 million shares of its common stock, as shown in the table below.

Current $12 Billion, Three-Year Program

	Value ($ Mio.)	Shares 000
May-December 2010	2,953	55,933
January-March 2011	1,356	22,154
April-June 2011	1,548	22,660
Total Under Program	**5,857**	**100,747**

PMI's 2011 full-year forecast includes planned share repurchases of approximately $5.0 billion against its previously communicated three-year share repurchase program of $12 billion, initiated in May 2010.

Since May 2008, when PMI began its first share repurchase program, the company has spent an aggregate of $18.9 billion to repurchase 378.4 million shares, or 17.9% of the shares outstanding at the time of the spin-off in March 2008.

2011 Full-Year Forecast

PMI increases its forecast for 2011 full-year reported diluted earnings per share by $0.15 to a range of $4.70 to $4.80, up by approximately 20% to 22.5% versus $3.92 in 2010. Approximately $0.10 of the increased guidance are attributable to an improved business outlook, driven largely by Japan, and approximately $0.05 reflect favorable currency at prevailing rates. Excluding a total favorable currency impact of approximately $0.25 for the full-year 2011, reported diluted earnings per share are projected to increase by approximately 13.5% to 16.0%, or by approximately 15.0% to 17.5% versus adjusted diluted earnings per share of $3.87 in 2010.

This guidance excludes the impact of any potential future acquisitions, asset impairment and exit cost charges, and any unusual events. The factors described in the Forward-Looking and Cautionary Statements section of this release represent continuing risks to these projections.

2011 SECOND-QUARTER CONSOLIDATED RESULTS

Management reviews operating companies income (OCI), which is defined as operating income before corporate expenses and amortization of intangibles, to evaluate segment performance and to allocate resources. In the following discussion, the term "net revenues" refers to net revenues, excluding excise taxes, unless otherwise stated. Management also reviews OCI, operating margins and EPS on an adjusted basis (which may exclude the impact of currency and other items such as acquisitions or asset impairment and exit costs), EBITDA, free cash flow and net debt. Management believes it is appropriate to disclose these measures to help investors analyze business performance and trends. For a reconciliation of operating companies income to operating income, see the Condensed Statements of Earnings provided with *this release. Reconciliations of non-GAAP measures to corresponding GAAP measures are also provided with this release. References to total international cigarette market, total cigarette market, total market and market shares are PMI estimates based on latest available data from a number of sources. Comparisons are to the same prior-year period unless otherwise stated.*

NET REVENUES

	PMI Net Revenues ($ Millions) Second-Quarter				Six Months Year-To-Date			
	2011	2010	Change	Excl. Curr.	2011	2010	Change	Excl. Curr.
European Union	$2,497	$2,295	8.8%	0.7%	$ 4,498	$ 4,479	0.4%	(1.4)%
Eastern Europe, Middle East & Africa	2,012	1,889	6.5%	3.6%	3,699	3,635	1.8%	1.0%
Asia	2,936	2,123	38.3%	27.8%	5,259	3,996	31.6%	22.8%
Latin America & Canada	828	754	9.8%	5.8%	1,608	1,447	11.1%	7.4%
Total PMI	**$8,273**	**$7,061**	**17.2%**	**10.2%**	**$15,064**	**$13,557**	**11.1%**	**7.3%**

Net revenues of $8.3 billion were up by 17.2%, including favorable currency of $494 million. Excluding currency, net revenues increased by 10.2%, primarily driven by favorable pricing of $617 million, primarily in Asia, and favorable volume/mix of $98 million. The favorable volume/mix was driven by Asia, mainly Indonesia, Japan and Korea, and was partly offset by: in the EU, mainly Greece, Portugal and Spain; and, in Latin America & Canada, primarily Brazil, Canada and Mexico. Volume/mix in EEMA was essentially flat. Excluding currency and acquisitions, net revenues increased by 10.1%.

OPERATING COMPANIES INCOME

	PMI Operating Companies Income ($ Millions) Second-Quarter				Six Months Year-To-Date			
	2011	2010	Change	Excl. Curr.	2011	2010	Change	Excl. Curr.
European Union	$ 1,280	$ 1,105	15.8%	2.1%	$2,286	$2,167	5.5%	(0.6)%
Eastern Europe, Middle East & Africa	835	786	6.2%	4.8%	1,557	1,556	0.1%	0.1%
Asia	1,398	845	65.4%	48.3%	2,491	1,569	58.8%	43.0%
Latin America & Canada	268	238	12.6%	8.8%	519	455	14.1%	11.9%
Total PMI	**$ 3,781**	**$ 2,974**	**27.1%**	**16.5%**	**$6,853**	**$5,747**	**19.2%**	**12.5%**

Operating income increased by 27.7% to $3.7 billion. Reported operating companies income was up by 27.1% to $3.8 billion, including favorable currency of $317 million. Excluding currency and acquisitions, operating companies income was up by 16.5%, primarily driven by higher pricing and favorable volume/mix, partly offset by unfavorable costs, mostly related to airfreight of product to Japan in response to in-market shortages of competitors' products.

Adjusted operating companies income grew by 27.2% as shown in the table below and detailed on Schedule 11. Adjusted operating companies income, excluding currency and acquisitions, increased by 16.5%.

PMI Operating Companies Income ($ Millions)

	Second-Quarter			Six Months Year-To-Date		
	2011	2010	Change	2011	2010	Change
Reported OCI	$3,781	$2,974	27.1%	$6,853	$5,747	19.2%
Asset impairment & exit costs	(1)	0		(17)	0	
Adjusted OCI	**$3,782**	**$2,974**	**27.2%**	**$6,870**	**$5,747**	**19.5%**
Adjusted OCI Margin*	45.7%	42.1%	3.6p.p.	45.6%	42.4%	3.2p.p.

* Margins are calculated as adjusted OCI, divided by net revenues, excluding excise taxes.

Adjusted operating companies income margin, excluding the impact of currency, was up by 2.4 percentage points to 44.5%, as detailed on Schedule 11. Excluding currency and acquisitions, adjusted operating companies income margin was up by 2.5 percentage points to 44.6%.

SHIPMENT VOLUME & MARKET SHARE

PMI Cigarette Shipment Volume by Segment (Million Units)

	Second-Quarter			Six Months Year-To-Date		
	2011	2010	Change	2011	2010	Change
European Union	57,193	59,024	(3.1)%	105,715	111,353	(5.1)%
Eastern Europe, Middle East & Africa	75,336	77,892	(3.3)%	138,979	142,037	(2.2)%
Asia	84,042	78,185	7.5%	156,134	141,400	10.4%
Latin America & Canada	24,606	25,858	(4.8)%	48,269	50,904	(5.2)%
Total PMI	**241,177**	**240,959**	**0.1%**	**449,097**	**445,694**	**0.8%**

PMI's cigarette shipment volume of 241.2 billion units was up slightly by 0.1%. In the EU, cigarette shipment volume decreased by 3.1%, predominantly due to lower total markets, mainly in Spain, lower market share, mainly in Poland, and unfavorable distributor inventory movements, partly offset by total market growth in Germany. In EEMA, cigarette shipment volume declined by 3.3%, primarily due to: a lower total market in Russia and a lower total market and share in Ukraine; the suspension of our business activities following the imposition of sanctions in Libya; and an unfavorable comparison with the second quarter of 2010 in Ukraine, impacted by trade inventory movements; partly offset by growth in Algeria and Turkey. In Asia, PMI's cigarette shipment volume increased by 7.5%, primarily driven by double-digit growth in Indonesia, Japan and Korea. In Latin America & Canada, cigarette shipment volume decreased by 4.8%, due mainly to: Mexico, reflecting a lower total market resulting from the significant January 1, 2011, excise tax increase; and Brazil, reflecting the depletion of trade inventories established ahead of the April 2011 price increase; partly offset by growth in Argentina.

On an organic basis, which excludes acquisitions, PMI's cigarette shipment volume was up slightly by 0.1%.

Total cigarette shipments of *Marlboro* of 78.1 billion units were up by 0.2%, driven primarily by growth in EEMA of 0.9%, in particular in Algeria, and in Asia of 5.9%, notably in Indonesia, Japan, Korea and Vietnam. The growth was partly offset by decreases: in the EU of 3.3%, reflecting mainly lower total markets and share, primarily in Portugal and Spain; and in Latin America & Canada of 2.8%, due mainly to the unfavorable impact of the aforementioned excise tax increase in Mexico.

Total cigarette shipments of *L&M* of 23.9 billion units were up by 3.1%, driven by growth in the EU of 5.4%, notably in Germany and Greece, and in EEMA of 3.6%, led by Turkey.

Total cigarette shipments of *Chesterfield* of 9.8 billion units were down by 4.9%, with declines, primarily in Spain and Ukraine, partly offset by growth, mainly in Portugal. Total cigarette shipments of *Parliament* of 10.3 billion units were up by 4.9%, driven by growth in the EU, EEMA and Latin America & Canada.

Total cigarette shipments of *Lark* of 10.1 billion units increased by 10.2%, due primarily to growth in Japan, partly offset by a decline in Turkey. Total cigarette shipments of *Bond Street* of 12.0 billion units decreased by 2.3%, due mainly to declines in Turkey and Ukraine, partly offset by growth in Russia and Kazakhstan.

Total shipment volume of other tobacco products (OTP), in cigarette equivalent units, excluding acquisitions, grew by 7.9%, notably in Belgium, France and Germany. Total shipment volume for cigarettes and OTP combined was up by 0.2%, excluding acquisitions.

PMI's market share performance was stable, or registered growth, in a number of key markets, including Algeria, Austria, Belgium, Canada, Egypt, France, Germany, Hong Kong, Indonesia, Japan, Korea, Mexico, the Netherlands, the Philippines, Singapore, Thailand and Turkey.

EUROPEAN UNION REGION (EU)

2011 Second-Quarter Results

In the EU, net revenues increased by 8.8% to $2.5 billion, including favorable currency of $187 million. Excluding currency, net revenues grew by 0.7%, primarily reflecting higher pricing of $49 million, driven mainly by France, Italy and Poland, partly offset by Spain. The favorable pricing variance more than offset the unfavorable volume/mix of $34 million. The unfavorable volume/mix was primarily attributable to a lower total market and share in Greece, Portugal, Spain and the UK, partly offset by a higher total market in Germany.

Operating companies income increased by 15.8% to $1.3 billion, due predominantly to favorable pricing, and favorable currency of $152 million, partly offset by unfavorable volume/mix of $28 million. Excluding the impact of currency, operating companies income was up by 2.1%.

Adjusted operating companies income increased by 15.9%, as shown in the table below and detailed on Schedule 11. Adjusted operating companies income, excluding currency and acquisitions, increased by 2.3%.

EU Operating Companies Income ($ Millions)

	Second-Quarter			Six Months Year-To-Date		
	2011	2010	Change	2011	2010	Change
Reported OCI	$1,280	$1,105	15.8%	$2,286	$2,167	5.5%
Asset impairment & exit costs	(1)	0		(12)	0	
Adjusted OCI	**$1,281**	**$1,105**	**15.9%**	**$2,298**	**$2,167**	**6.0%**
Adjusted OCI Margin*	51.3%	48.1%	3.2 p.p.	51.1%	48.4%	2.7 p.p.

* Margins are calculated as adjusted OCI, divided by net revenues, excluding excise taxes.

Excluding the favorable impact of currency, adjusted operating companies income margin was up by 0.8 percentage points to 48.9%, as detailed on Schedule 11.

The total cigarette market in the EU declined by 1.7%, due mainly to Spain, reflecting the unfavorable impact of continued adverse economic conditions. Excluding Spain, the total cigarette market in the EU grew slightly by 0.2%.

PMI's cigarette shipment volume in the EU declined by 3.1%, due primarily to the impact of the lower total market in Spain, lower share, mainly in Poland, and unfavorable distributor inventory movements, mainly in Austria, France and Spain, partly offset by total market growth in Germany. Shipment volume of *Marlboro* decreased by 3.3%, due mainly to lower total markets, unfavorable distributor inventory movements, and lower share, primarily in Portugal and Spain, the former reflecting the impact of price increases in July and November 2010 and January 2011. Shipment volume of *L&M* was up by 5.4%, driven mainly by higher share in Germany.

PMI's market share in the EU was down slightly by 0.2 share points to 38.6% as gains, primarily in Belgium, France, Germany, the Netherlands and the Nordics, were more than offset by share declines, mainly in the Czech Republic, Italy, Poland and Portugal. While *Marlboro*'s share in the EU was flat at 18.1%, reflecting a higher share in Belgium, the Czech Republic, Greece, Hungary and the Netherlands, offset by lower share in Germany, Italy, Portugal and the UK, it grew by 0.3 points compared to the first quarter 2011. *L&M*'s market share in the EU grew by 0.3 points to 6.6%, its best performance since the spin-off in March 2008, primarily driven by gains in Germany, Poland and Spain.

<u>EU Key Market Commentaries</u>

In the Czech Republic, the total cigarette market was up by 3.3%. PMI's shipments were down by 2.5%. Market share was down by 2.7 points to 45.5%, reflecting continued share declines for lower-margin local brands, partly offset by a higher share for *Marlboro*, up by 0.6 points to 7.5%, and for *Red & White*, up by 0.6 points to 13.1%.

In France, the total cigarette market was up by 1.8%. Whilst PMI's shipments were down slightly by 0.5%, unfavorably impacted by distributor inventory movements, market share was up slightly by 0.1 point to 40.9%, reflecting a higher share for the premium *Philip Morris* brand, up by 0.5 points to 8.3%, partly offset by a lower share for *Marlboro*, down by 0.3 points to 26.0%. Compared to the first quarter 2011, PMI's market share was up by 0.5 points, driven by *Marlboro*, up by 0.5 points.

In Germany, the total cigarette market was up by 4.6%. PMI's shipments were up by 5.3% and market share was up by 0.2 points to 36.1%, driven by *L&M*, up by 1.0 points to 10.4%. Compared to the first quarter of 2011, PMI's market share was up by 0.4 points. Although share of *Marlboro* in the second quarter was down by 0.5 points to 21.1%, it was essentially flat compared to the first quarter of 2011.

In Italy, the total cigarette market was up by 0.2%. PMI's shipments were down by 0.9%. Although PMI's market share declined by 0.7 points to 53.4%, share was essentially flat compared to the first quarter of 2011. *Marlboro*'s market share in the second quarter of 2011 of 22.7% was down by 0.3 points compared to the second quarter 2010, but up by 0.2 points compared to the first quarter 2011.

In Poland, the total cigarette market was down by 1.5%, reflecting the unfavorable impact of tax-driven price increases in the fourth quarter of 2010 and second quarter of 2011, and the introduction of an indoor public smoking ban in the fourth quarter of 2010. PMI's shipments were down by 9.7%. Whilst PMI's market share was down by 3.2 points to 34.9%, due mainly to lower share of low-price *Red & White*, down by 3.3 points to 5.1%, share of *Marlboro* was up slightly by 0.1 point to 10.3%, and share of *L&M* grew by 0.8 points to 15.9%.

In Spain, the total cigarette market was down by 14.6%, largely due to the continuing adverse economic environment, the impact of the June 2010 VAT-driven price increase and the December 2010 excise tax-driven price increase, and the introduction of a total indoor public smoking ban in January 2011. PMI's shipments were down by 17.6%. PMI's market share was down by 0.2 points to 31.0%, due mainly to a lower share of *Chesterfield*, down by 0.5 points to 8.4%. Share of *Marlboro* was essentially flat at 14.6%. PMI's market share was up by 0.6 points versus the first quarter 2011, driven by *Marlboro*, up by 0.5 points, reflecting the positive consumer reaction to the price movements of May and June 2011.

EASTERN EUROPE, MIDDLE EAST & AFRICA REGION (EEMA)

2011 Second-Quarter Results

In EEMA, net revenues increased by 6.5% to $2.0 billion, including favorable currency of $55 million. Excluding the impact of currency, net revenues increased by 3.6%, primarily due to favorable pricing of $69 million, primarily in Russia and Ukraine.

Operating companies income increased by 6.2% to $835 million, including favorable currency of $11 million. Excluding the impact of currency, operating companies income increased by 4.8%, due primarily to higher pricing and favorable volume/mix, partly offset by higher costs, principally related to business building initiatives in Russia. Adjusted operating companies income increased by 6.2%, as shown in the table below and detailed on Schedule 11. Adjusted operating companies income, excluding currency, increased by 4.8%.

EEMA Operating Companies Income ($ Millions)

	Second-Quarter			Six Months Year-To-Date		
	2011	2010	Change	2011	2010	Change
Reported OCI	$ 835	$ 786	6.2%	$1,557	$1,556	0.1%
Asset impairment & exit costs	0	0		(2)	0	
Adjusted OCI	**$ 835**	**$ 786**	**6.2%**	**$1,559**	**$1,556**	**0.2%**
Adjusted OCI Margin*	41.5%	41.6%	(0.1) p.p.	42.1%	42.8%	(0.7) p.p.

* Margins are calculated as adjusted OCI, divided by net revenues, excluding excise taxes.

Excluding the favorable impact of currency, adjusted operating companies income margin was up by 0.5 percentage points to 42.1%, as detailed on Schedule 11.

PMI's cigarette shipment volume in EEMA decreased by 3.3%, principally due to: Libya, reflecting the imposition of sanctions; Russia, primarily reflecting a lower total market; and Ukraine, due to an unfavorable comparison with the second quarter of 2010, impacted by trade inventory movements ahead of the July 2010 excise tax-driven price increase, a lower total market and lower share. These declines were partly offset by growth in Algeria and Turkey.

PMI's cigarette shipment volume of premium brands grew by 2.7% in EEMA, driven by *Marlboro* and *Parliament*, up by 0.9% and 10.0%, respectively, reflecting the second consecutive quarter of growth following eight quarters of decline.

EEMA Key Market Commentaries

In Russia, the total cigarette market declined by an estimated annualized rate of 2-3%. PMI's shipment volume decreased by 4.1%. Whilst shipment volume of PMI's premium portfolio was down by 1.7%, primarily due to a decline in *Marlboro* of 7.3%, shipment volume of above premium *Parliament* was up by 1.9%. In the mid-price segment, shipment volume was down by 3.3%, with growth in *Chesterfield*, up by 0.6%, more than offset by a decline in *L&M*, down by 8.3%. In the low price segment, shipment volume of *Bond Street* was up by 2.1%. PMI's quarter-to-date May market share of 25.4%, as measured by A.C. Nielsen, was essentially flat. Market share for *Parliament*, in the above premium segment, was up slightly by 0.1 point; *Marlboro*, in the premium segment, was down by 0.2 points; *L&M* in the mid-price segment was down by 0.4 share points; *Chesterfield* in the mid-price segment was up slightly by 0.1 share point; and *Bond Street* in the low-price segment was up by 0.4 share points.

In Turkey, the total cigarette market declined by an estimated 0.8%, having stabilized following the steep January 2010 excise tax increase. PMI's shipment volume increased by 12.1%. PMI's quarter-to-date May market share, as measured by A.C. Nielsen, grew by 3.8 points to 44.6%, driven by *Parliament*, *Muratti* and *L&M,* up by 1.1, 0.5 and 4.3 share points, respectively, partly offset by declines in *Lark* and *Bond Street*, down by 1.3 and 0.8 points, respectively. Market share of *Marlboro* was flat at 9.1%.

In Ukraine, the total cigarette market declined by an estimated 15.0%, due mainly to: an unfavorable comparison with the second quarter of 2010 which was impacted by trade inventory movements ahead of the July 2010 excise tax-driven price increase; the unfavorable impact of excise tax-driven price increases in July 2010 and January 2011; and the underlying market decline. PMI's shipment volume decreased by 24.8%, reflecting the aforementioned factors, as well as lower share driven by low-price competition. Whilst PMI's market share, as measured by A.C. Nielsen, was down by 3.5 points to 32.1%, shares for premium *Marlboro* and *Parliament* were up by 0.3 and 0.2 points, respectively.

ASIA REGION

2011 Second-Quarter Results

In Asia, net revenues increased strongly by 38.3% to $2.9 billion, including favorable currency of $222 million. Excluding the impact of currency, net revenues increased by 27.8%, reflecting the favorable impact of pricing of $413 million, primarily in Australia, Indonesia, Japan and the Philippines, and favorable volume/mix of $175 million, mainly in Japan, reflecting increased shipments in response to in-market shortages of competitors' products, Indonesia and Korea. Excluding the impact of currency and acquisitions, net revenues increased by 27.7%.

Operating companies income surged by 65.4% to reach $1.4 billion, despite significant costs related to airfreight of product to Japan. Excluding the favorable impact of currency of $145 million, operating companies income increased by 48.3%, driven by strong growth in Australia, Indonesia, Japan and the Philippines. Excluding the impact of currency and acquisitions, operating companies income increased by 48.2%. Adjusted operating companies income increased by 65.4% as shown in the table below and detailed on Schedule 11. Adjusted operating companies income, excluding currency, increased by 48.3%, or by 48.2% excluding both currency and acquisitions.

Asia Operating Companies Income ($ Millions)

	Second-Quarter			Six Months Year-To-Date		
	2011	2010	Change	2011	2010	Change
Reported OCI	$1,398	$ 845	65.4%	$2,491	$1,569	58.8%
Asset impairment & exit costs	0	0		(2)	0	
Adjusted OCI	**$1,398**	**$ 845**	**65.4%**	**$2,493**	**$1,569**	**58.9%**
Adjusted OCI Margin*	47.6%	39.8%	7.8 p.p.	47.4%	39.3%	8.1 p.p.

* Margins are calculated as adjusted OCI, divided by net revenues, excluding excise taxes.

Excluding the impact of currency and acquisitions, adjusted operating companies income margin was up by 6.4 percentage points to 46.2%, as detailed on Schedule 11.

PMI's cigarette shipment volume in Asia increased by 7.5%, predominantly due to growth in Indonesia, Japan and Korea. The growth was partly offset by a decline in Pakistan of 6.6% due to the continued growth of illicit products.

Shipment volume of *Marlboro* was up by 5.9%, driven mainly by growth in Indonesia, Japan, Korea and Vietnam.

Asia Key Market Commentaries

In Indonesia, the total cigarette market was up by 13.9%, driven mainly by growth in the low-price segment and moderate price increases compared to 2010. PMI's shipment volume increased by 20.7%, with all key brand families recording growth. Market share was up by 1.6 points to a record 30.2%, driven by growth from premium *Sampoerna A*, mid-price *Sampoerna Kretek* and low-price *U Mild* and *Vegas Mild*. Although *Marlboro*'s market share declined by 0.3 points to 4.2%, shipments grew by 6.7% and share of the "white" cigarettes segment increased by 3.3 points to 64.2%.

In Japan, the total cigarette market decreased by 19.1%, reflecting the unfavorable impact of the significant October 1, 2010, tax-driven price increases and the underlying market decline. PMI's shipment volume was up by 11.0%, driven by increased trade purchases compensating for in-market shortages of competitors' products. Market share of 42.0% was up by 17.7 points, reflecting growth of *Marlboro, Lark* and the *Philip Morris* brand by 5.6, 7.7 and 1.6 points, to 16.4%, 14.4% and 4.0%, respectively.

In Korea, the total cigarette market declined by 1.9%. PMI's shipment volume increased by 17.6%, driven by market share increases. PMI's market share reached a record 19.9%, up by 3.3 points, driven by *Marlboro* and *Parliament*, up by 1.8 and 1.2 points, respectively.

In the Philippines, the total market declined by 2.9%, partly reflecting the impact of PMFTC Inc.'s excise-tax driven price increase of its key brand variants in January 2011. PMI's shipments were down by

1.5%. PMI's market share was up by 1.3 points to 94.1%. Share of *Marlboro* increased by 0.4 points to 21.1%.

LATIN AMERICA & CANADA REGION

2011 Second-Quarter Results

In Latin America & Canada, net revenues increased by 9.8% to $828 million, including favorable currency of $30 million. Excluding the impact of currency, net revenues increased by 5.8%, reflecting favorable pricing of $86 million, primarily in Argentina, Brazil, Canada and Mexico, that more than offset unfavorable volume/mix of $42 million.

Operating companies income increased by 12.6% to $268 million. Excluding the impact of currency, operating companies income increased by 8.8%, primarily reflecting favorable pricing. Adjusted operating companies income grew by 12.6% as shown in the table below and detailed on Schedule 11. Adjusted operating companies income, excluding currency, grew by 8.8%.

Latin America & Canada Operating Companies Income ($ Millions)

	Second-Quarter			Six Months Year-To-Date		
	2011	**2010**	**Change**	**2011**	**2010**	**Change**
Reported OCI	$ 268	$ 238	12.6%	$ 519	$ 455	14.1%
Asset impairment & exit costs	0	0		(1)	0	
Adjusted OCI	**$ 268**	**$ 238**	**12.6%**	**$ 520**	**$ 455**	**14.3%**
Adjusted OCI Margin*	32.4%	31.6%	0.8 p.p.	32.3%	31.4%	0.9 p.p.

* Margins are calculated as adjusted OCI, divided by net revenues, excluding excise taxes.

Excluding the impact of currency, adjusted operating companies income margin increased by 0.9 percentage points to 32.5%, as detailed on Schedule 11.

PMI's cigarette shipment volume in Latin America & Canada decreased by 4.8%, due mainly to Mexico and Brazil, partly offset by an increase in Argentina. Shipment volume of *Marlboro* decreased by 2.8%.

Latin America & Canada Key Market Commentaries

In Argentina, the total cigarette market grew by 8.7%. PMI's cigarette shipment volume increased by 8.4%. Although PMI's market share was down by 0.4 points to 74.4%, share of *Marlboro* was up by 0.6 points to 24.0%, offset by the mid-price *Philip Morris* brand, down by 0.4 share points to 37.9%, and low-price *Next*, down by 0.2 points to 3.7%.

In Canada, the total tax-paid cigarette market was down by 4.5%, due mainly to trade inventory movements in June 2010 in anticipation of harmonized sales tax implementation in the provinces of Ontario and British Columbia and a lower total market. Although PMI's cigarette shipment volume decreased by 1.9%, market share grew by 1.0 point to 34.0%, with low-price brands *Next* and *Quebec Classique*, up by 2.7 and 0.3 share points, respectively, partly offset by mid-price *Number 7* and *Canadian Classics*, and low-price *Accord*, down by 0.5, 0.5 and 0.8 share points, respectively. Market share of premium *Belmont* was up slightly by 0.1 point to 1.8%.

In Mexico, the total cigarette market was down by 13.2%, primarily due to the significant January 1, 2011, excise tax increase which drove a 26.7% increase in the retail price of *Marlboro*. Although PMI's cigarette shipment volume decreased by 10.3%, market share grew by 2.3 points to 72.2%, led by *Marlboro*, up by 3.8 share points to a quarterly record 52.0%, and *Benson & Hedges*, up by 0.5 points to 6.1%. Market share of low-price *Delicados*, the second best-selling brand in the market, declined by 1.1 points to 11.1%.

Philip Morris International Inc. Profile

Philip Morris International Inc. (PMI) is the leading international tobacco company, with seven of the world's top 15 international brands, including *Marlboro*, the number one cigarette brand worldwide. PMI's products are sold in approximately 180 countries. In 2010, the company held an estimated 16.0% share of the total international cigarette market outside of the U.S., or 27.6% excluding the People's Republic of China and the U.S. For more information, see www.pmi.com.

Forward-Looking and Cautionary Statements

This press release contains projections of future results and other forward-looking statements that involve a number of risks and uncertainties and are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. The following important factors could cause actual results and outcomes to differ materially from those contained in such forward-looking statements.

Philip Morris International Inc. and its tobacco subsidiaries (PMI) are subject to intense price competition; changes in consumer preferences and demand for their products; fluctuations in levels of customer inventories; increases in raw material costs; the effects of global economic developments and individual country economic and market conditions; unfavorable currency movements and changes to income tax laws. Their results are dependent upon their continued ability to promote brand equity successfully; to anticipate and respond to new consumer trends; to develop new products and markets and to broaden brand portfolios in order to compete effectively; to be able to protect and enhance margins through price increases; and to improve productivity.

PMI is also subject to legislation and governmental regulation, including actual and potential excise tax increases; discriminatory excise tax structures; increasing marketing and regulatory restrictions; the effects of price increases related to excise tax increases on consumption rates and consumer preferences within price segments; health concerns relating to the use of tobacco products and exposure to environmental tobacco smoke; privately imposed smoking restrictions; and governmental investigations.

PMI is subject to litigation, including risks associated with adverse jury and judicial determinations, and courts reaching conclusions at variance with PMI's understanding of applicable law.

PMI is further subject to other risks detailed from time to time in its publicly filed documents, including the Form 10-Q for the quarter ended March 31, 2011. PMI cautions that the foregoing list of important factors is not complete and does not undertake to update any forward-looking statements that it may make, except in the normal course of its public disclosure obligations.

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PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Condensed Statements of Earnings
For the Quarters Ended June 30,
($ in millions, except per share data)
(Unaudited)

	2011	2010	% Change
Net revenues	**$ 20,234**	**$ 17,383**	**16.4 %**
Cost of sales	2,844	2,550	11.5 %
Excise taxes on products (1)	11,961	10,322	15.9 %
Gross profit	5,429	4,511	20.4 %
Marketing, administration and research costs	1,647	1,537	
Asset impairment and exit costs	1	—	
Operating companies income	**3,781**	**2,974**	**27.1 %**
Amortization of intangibles	24	23	
General corporate expenses	45	45	
Operating income	**3,712**	**2,906**	**27.7 %**
Interest expense, net	208	223	
Earnings before income taxes	3,504	2,683	30.6 %
Provision for income taxes	1,019	641	59.0 %
Net earnings	2,485	2,042	21.7 %
Net earnings attributable to noncontrolling interests	76	60	
Net earnings attributable to PMI	**$ 2,409**	**$ 1,982**	**21.5 %**
Per share data:(2)			
Basic earnings per share	**$ 1.35**	**$ 1.07**	**26.2 %**
Diluted earnings per share	**$ 1.35**	**$ 1.07**	**26.2 %**

(1) The segment detail of excise taxes on products sold for the quarters ended June 30, 2011 and 2010 is shown on Schedule 2.
(2) Net earnings and weighted-average shares used in the basic and diluted earnings per share computations for the quarters ended June 30, 2011 and 2010 are shown on Schedule 4, Footnote 1.

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Selected Financial Data by Business Segment
For the Quarters Ended June 30,
($ in millions)
(Unaudited)

		Net Revenues excluding Excise Taxes				
		European Union	EEMA	Asia	Latin America & Canada	Total
2011	Net Revenues [(1)]	$ 8,080	$ 4,603	$ 5,146	$ 2,405	$ 20,234
	Excise Taxes on Products	(5,583)	(2,591)	(2,210)	(1,577)	(11,961)
	Net Revenues excluding Excise Taxes	**2,497**	**2,012**	**2,936**	**828**	**8,273**
2010	Net Revenues	$ 7,260	$ 4,125	$ 3,903	$ 2,095	$ 17,383
	Excise Taxes on Products	(4,965)	(2,236)	(1,780)	(1,341)	(10,322)
	Net Revenues excluding Excise Taxes	**2,295**	**1,889**	**2,123**	**754**	**7,061**
Variance	Currency	187	55	222	30	494
	Acquisitions	—	—	3	—	3
	Operations	15	68	588	44	715
	Variance Total	**202**	**123**	**813**	**74**	**1,212**
	Variance Total (%)	8.8%	6.5%	38.3%	9.8%	17.2%
	Variance excluding Currency	15	68	591	44	718
	Variance excluding Currency (%)	0.7%	3.6%	27.8%	5.8%	10.2%
	Variance excluding Currency & Acquisitions	15	68	588	44	715
	Variance excluding Currency & Acquisitions (%)	0.7%	3.6%	27.7%	5.8%	10.1%

(1) 2011 Currency increased net revenues as follows:

European Union	$ 609
EEMA	94
Asia	368
Latin America & Canada	76
	$ 1,147

Schedule 3

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Selected Financial Data by Business Segment
For the Quarters Ended June 30,
($ in millions)
(Unaudited)

	Operating Companies Income				
	European Union	EEMA	Asia	Latin America & Canada	Total
2011	$ 1,280	$ 835	$1,398	$ 268	$3,781
2010	1,105	786	845	238	2,974
% Change	15.8%	6.2%	65.4%	12.6%	27.1%
Reconciliation:					
For the quarter ended June 30, 2010	**$ 1,105**	**$ 786**	**$ 845**	**$ 238**	**$2,974**
2010 Asset impairment and exit costs	—	—	—	—	—
2011 Asset impairment and exit costs	(1)	—	—	—	(1)
Acquired businesses	(1)	—	1	—	—
Currency	152	11	145	9	317
Operations	25	38	407	21	491
For the quarter ended June 30, 2011	**$ 1,280**	**$ 835**	**$1,398**	**$ 268**	**$3,781**

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Net Earnings Attributable to PMI and Diluted Earnings Per Share
For the Quarters Ended June 30,
($ in millions, except per share data)
(Unaudited)

	Net Earnings Attributable to PMI	Diluted E.P.S.
2011 Net Earnings Attributable to PMI	$ 2,409	$ 1.35[1]
2010 Net Earnings Attributable to PMI	$ 1,982	$ 1.07[1]
% Change	21.5%	26.2%
Reconciliation:		
2010 Net Earnings Attributable to PMI	**$ 1,982**	**$ 1.07[1]**
Special Items:		
2011 Asset impairment and exit costs	(1)	—
2011 Tax items	15	0.01
2010 Asset impairment and exit costs	—	—
2010 Tax items	(121)	(0.07)
Currency	235	0.13
Interest	15	0.01
Change in tax rate	(35)	(0.02)
Impact of lower shares outstanding and share-based payments	5	0.05
Operations	314	0.17
2011 Net Earnings Attributable to PMI	**$ 2,409**	**$ 1.35[1]**

(1) Basic and diluted EPS were calculated using the following (in millions):

	Q2 2011	Q2 2010
Net earnings attributable to PMI	$ 2,409	$1,982
Less distributed and undistributed earnings attributable to share-based payment awards	14	9
Net earnings for basic and diluted EPS	$ 2,395	$1,973
Weighted-average shares for basic EPS	1,772	1,846
Plus incremental shares from assumed conversions:		
Stock Options	—	3
Weighted-average shares for diluted EPS	1,772	1,849

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Condensed Statements of Earnings
For the Six Months Ended June 30,
($ in millions, except per share data)
(Unaudited)

	2011	2010	% Change
Net revenues	**$ 36,764**	**$ 32,970**	**11.5%**
Cost of sales	5,139	4,922	4.4%
Excise taxes on products [1]	21,700	19,413	11.8%
Gross profit	9,925	8,635	14.9%
Marketing, administration and research costs	3,055	2,888	
Asset impairment and exit costs	17	—	
Operating companies income	**6,853**	**5,747**	**19.2%**
Amortization of intangibles	48	43	
General corporate expenses	86	83	
Operating income	**6,719**	**5,621**	**19.5%**
Interest expense, net	421	446	
Earnings before income taxes	6,298	5,175	21.7%
Provision for income taxes	1,826	1,379	32.4%
Net earnings	4,472	3,796	17.8%
Net earnings attributable to noncontrolling interests	144	111	
Net earnings attributable to PMI	**$ 4,328**	**$ 3,685**	**17.4%**
Per share data:[2]			
Basic earnings per share	**$ 2.42**	**$ 1.97**	**22.8%**
Diluted earnings per share	**$ 2.42**	**$ 1.97**	**22.8%**

(1) The segment detail of excise taxes on products sold for the six months ended June 30, 2011 and 2010 is shown on Schedule 6.
(2) Net earnings and weighted-average shares used in the basic and diluted earnings per share computations for the six months ended June 30, 2011 and 2010 are shown on Schedule 8, Footnote 1.

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Selected Financial Data by Business Segment
For the Six Months Ended June 30,
($ in millions)
(Unaudited)

		Net Revenues excluding Excise Taxes				
		European Union	EEMA	Asia	Latin America & Canada	Total
2011	Net Revenues [1]	$14,495	$ 8,274	$ 9,434	$ 4,561	$ 36,764
	Excise Taxes on Products	(9,997)	(4,575)	(4,175)	(2,953)	(21,700)
	Net Revenues excluding Excise Taxes	**4,498**	**3,699**	**5,259**	**1,608**	**15,064**
2010	Net Revenues	$14,008	$ 7,481	$ 7,465	$ 4,016	$ 32,970
	Excise Taxes on Products	(9,529)	(3,846)	(3,469)	(2,569)	(19,413)
	Net Revenues excluding Excise Taxes	**4,479**	**3,635**	**3,996**	**1,447**	**13,557**
Variance	Currency	81	26	350	54	511
	Acquisitions	—	—	108	—	108
	Operations	(62)	38	805	107	888
	Variance Total	**19**	**64**	**1,263**	**161**	**1,507**
	Variance Total (%)	0.4%	1.8%	31.6%	11.1%	11.1%
	Variance excluding Currency	(62)	38	913	107	996
	Variance excluding Currency (%)	(1.4)%	1.0%	22.8%	7.4%	7.3%
	Variance excluding Currency & Acquisitions	(62)	38	805	107	888
	Variance excluding Currency & Acquisitions (%)	(1.4)%	1.0%	20.1%	7.4%	6.6%

[1] 2011 Currency increased net revenues as follows:

European Union	$ 281
EEMA	8
Asia	603
Latin America & Canada	130
	$ 1,022

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Selected Financial Data by Business Segment
For the Six Months Ended June 30,
($ in millions)
(Unaudited)

	Operating Companies Income				
	European Union	EEMA	Asia	Latin America & Canada	Total
2011	$ 2,286	$1,557	$2,491	$ 519	$6,853
2010	2,167	1,556	1,569	455	5,747
% Change	5.5%	0.1%	58.8%	14.1%	19.2%
Reconciliation:					
For the six months ended June 30, 2010	**$ 2,167**	**$1,556**	**$1,569**	**$ 455**	**$5,747**
2010 Asset impairment and exit costs	—	—	—	—	—
2011 Asset impairment and exit costs	(12)	(2)	(2)	(1)	(17)
Acquired businesses	(1)	—	24	—	23
Currency	131	(1)	247	10	387
Operations	1	4	653	55	713
For the six months ended June 30, 2011	**$ 2,286**	**$1,557**	**$2,491**	**$ 519**	**$6,853**

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Net Earnings Attributable to PMI and Diluted Earnings Per Share
For the Six Months Ended June 30,
($ in millions, except per share data)
(Unaudited)

	Net Earnings Attributable to PMI	Diluted E.P.S.
2011 Net Earnings Attributable to PMI	$ 4,328	$ 2.42[1]
2010 Net Earnings Attributable to PMI	$ 3,685	$ 1.97[1]
% Change	17.4%	22.8%
Reconciliation:		
2010 Net Earnings Attributable to PMI	**$ 3,685**	**$ 1.97**[1]
Special Items:		
2011 Asset impairment and exit costs	(11)	(0.01)
2011 Tax items	26	0.02
2010 Asset impairment and exit costs	—	—
2010 Tax items	(121)	(0.07)
Currency	291	0.16
Interest	19	0.01
Change in tax rate	(26)	(0.01)
Impact of lower shares outstanding and share-based payments	7	0.10
Operations	458	0.25
2011 Net Earnings Attributable to PMI	**$ 4,328**	**$ 2.42**[1]

(1) Basic and diluted EPS were calculated using the following (in millions):

	YTD June 2011	YTD June 2010
Net earnings attributable to PMI	$ 4,328	$ 3,685
Less distributed and undistributed earnings attributable to share-based payment awards	24	17
Net earnings for basic and diluted EPS	$ 4,304	$ 3,668
Weighted-average shares for basic EPS	1,782	1,860
Plus incremental shares from assumed conversions:		
Stock Options	—	3
Weighted-average shares for diluted EPS	1,782	1,863

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Condensed Balance Sheets
($ in millions, except ratios)
(Unaudited)

	June 30, 2011	December 31, 2010
Assets		
Cash and cash equivalents	$ 2,178	$ 1,703
All other current assets	12,155	12,053
Property, plant and equipment, net	6,793	6,499
Goodwill	10,652	10,161
Other intangible assets, net	4,020	3,873
Other assets	996	761
Total assets	**$ 36,794**	**$ 35,050**
Liabilities and Stockholders' Equity		
Short-term borrowings	$ 570	$ 1,747
Current portion of long-term debt	3,314	1,385
All other current liabilities	10,879	9,672
Long-term debt	13,037	13,370
Deferred income taxes	2,067	2,027
Other long-term liabilities	1,747	1,728
Total liabilities	31,614	29,929
Redeemable noncontrolling interest	1,204	1,188
Total PMI stockholders' equity	3,669	3,506
Noncontrolling interests	307	427
Total stockholders' equity	3,976	3,933
Total liabilities and stockholders' equity	**$ 36,794**	**$ 35,050**
Total debt	$ 16,921	$ 16,502
Total debt to EBITDA	1.28 [1]	1.36 [1]
Net debt to EBITDA	1.11 [1]	1.22 [1]

(1) For the calculation of Total Debt to EBITDA and Net Debt to EBITDA ratios, refer to Schedule 18.

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Reconciliation of Non-GAAP Measures
Adjustments for the Impact of Currency and Acquisitions
For the Quarters Ended June 30,
($ in millions)
(Unaudited)

2011								2010			% 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 Acquisi-tions**	**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**
$ 8,080	$ 5,583	$ 2,497	$ 187	$ 2,310	$ —	$ 2,310	European Union	$ 7,260	$ 4,965	$ 2,295	8.8%	0.7%	0.7%
4,603	2,591	2,012	55	1,957	—	1,957	EEMA	4,125	2,236	1,889	6.5%	3.6%	3.6%
5,146	2,210	2,936	222	2,714	3	2,711	Asia	3,903	1,780	2,123	38.3%	27.8%	27.7%
2,405	1,577	828	30	798	—	798	Latin America & Canada	2,095	1,341	754	9.8%	5.8%	5.8%
$ 20,234	**$11,961**	**$ 8,273**	**$ 494**	**$ 7,779**	**$ 3**	**$ 7,776**	**PMI Total**	**$ 17,383**	**$10,322**	**$ 7,061**	**17.2%**	**10.2%**	**10.1%**

2011						2010	% Change in Reported Operating Companies Income		
Reported Operating Companies Income	**Less Currency**	**Reported Operating Companies Income excluding Currency**	**Less Acquisi-tions**	**Reported Operating Companies Income excluding Currency & Acquisitions**		**Reported Operating Companies Income**	**Reported**	**Reported excluding Currency**	**Reported excluding Currency & Acquisitions**
$ 1,280	$ 152	$ 1,128	$ (1)	$ 1,129	European Union	$ 1,105	15.8%	2.1%	2.2%
835	11	824	—	824	EEMA	786	6.2%	4.8%	4.8%
1,398	145	1,253	1	1,252	Asia	845	65.4%	48.3%	48.2%
268	9	259	—	259	Latin America & Canada	238	12.6%	8.8%	8.8%
$ 3,781	**$ 317**	**$ 3,464**	**$ —**	**$ 3,464**	**PMI Total**	**$ 2,974**	**27.1%**	**16.5%**	**16.5%**

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Reconciliation of Non-GAAP Measures
Reconciliation of Reported Operating Companies Income to Adjusted Operating Companies Income &
Reconciliation of Adjusted Operating Companies Income Margin, excluding Currency and Acquisitions
For the Quarters Ended June 30,
($ in millions)
(Unaudited)

2011								**2010**			**% Change in Adjusted Operating Companies Income**		
Reported Operating Companies Income	**Less Asset Impairment & Exit Costs**	**Adjusted Operating Companies Income**	**Less Currency**	**Adjusted Operating Companies Income excluding Currency**	**Less Acquisi-tions**	**Adjusted Operating Companies Income excluding Currency & Acquisitions**		**Reported Operating Companies Income**	**Less Asset Impairment & Exit Costs**	**Adjusted Operating Companies Income**	**Adjusted**	**Adjusted excluding Currency**	**Adjusted excluding Currency & Acquisitions**
$ 1,280	$ (1)	$ 1,281	$ 152	$ 1,129	$ (1)	$ 1,130	European Union	$ 1,105	$ —	$ 1,105	15.9%	2.2%	2.3%
835	—	835	11	824	—	824	EEMA	786	—	786	6.2%	4.8%	4.8%
1,398	—	1,398	145	1,253	1	1,252	Asia	845	—	845	65.4%	48.3%	48.2%
268	—	268	9	259	—	259	Latin America & Canada	238	—	238	12.6%	8.8%	8.8%
$ 3,781	**$ (1)**	**$ 3,782**	**$ 317**	**$ 3,465**	**$ —**	**$ 3,465**	**PMI Total**	**$ 2,974**	**$ —**	**$ 2,974**	**27.2%**	**16.5%**	**16.5%**

2011							**2010**			**% Points Change**	
Adjusted Operating Companies Income excluding Currency	**Net Revenues excluding Excise Taxes & Currency[1]**	**Adjusted Operating Companies Income Margin excluding Currency**	**Adjusted Operating Companies Income excluding Currency & Acquisitions**	**Net Revenues excluding Excise Taxes, Currency & Acquisitions[1]**	**Adjusted Operating Companies Income Margin excluding Currency & Acquisitions**		**Adjusted Operating Companies Income**	**Net Revenues excluding Excise Taxes[1]**	**Adjusted Operating Companies Income Margin**	**Adjusted Operating Companies Income Margin excluding Currency**	**Adjusted Operating Companies Income Margin excluding Currency & Acquisitions**
$ 1,129	$ 2,310	48.9%	$ 1,130	$ 2,310	48.9%	European Union	$ 1,105	$ 2,295	48.1%	0.8	0.8
824	1,957	42.1%	824	1,957	42.1%	EEMA	786	1,889	41.6%	0.5	0.5
1,253	2,714	46.2%	1,252	2,711	46.2%	Asia	845	2,123	39.8%	6.4	6.4
259	798	32.5%	259	798	32.5%	Latin America & Canada	238	754	31.6%	0.9	0.9
$ 3,465	**$ 7,779**	**44.5%**	**$ 3,465**	**$ 7,776**	**44.6%**	**PMI Total**	**$ 2,974**	**$ 7,061**	**42.1%**	**2.4**	**2.5**

(1) For the calculation of net revenues excluding excise taxes, currency and acquisitions, refer to Schedule 10.

Schedule 12

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Reconciliation of Non-GAAP Measures
Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS and Adjusted Diluted EPS, excluding Currency
For the Quarters Ended June 30,
(Unaudited)

	2011	2010	% Change
Reported Diluted EPS	**$ 1.35**	**$ 1.07**	**26.2%**
Adjustments:			
Asset impairment and exit costs	—	—	
Tax items	(0.01)	(0.07)	
Adjusted Diluted EPS	**$ 1.34**	**$ 1.00**	**34.0%**
Less:			
Currency impact	0.13		
Adjusted Diluted EPS, excluding Currency	**$ 1.21**	**$ 1.00**	**21.0%**

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Reconciliation of Non-GAAP Measures
Reconciliation of Reported Diluted EPS to Reported Diluted EPS, excluding Currency
For the Quarters Ended June 30,
(Unaudited)

	2011	2010	% Change
Reported Diluted EPS	**$ 1.35**	**$ 1.07**	**26.2%**
Less:			
Currency impact	0.13		
Reported Diluted EPS, excluding Currency	**$ 1.22**	**$ 1.07**	**14.0%**

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Reconciliation of Non-GAAP Measures
Adjustments for the Impact of Currency and Acquisitions
For the Six Months Ended June 30,
($ in millions)
(Unaudited)

2011								2010			% 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 Acquisi-tions**	**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**
$ 14,495	$ 9,997	$ 4,498	$ 81	$ 4,417	$ —	$ 4,417	European Union	$ 14,008	$ 9,529	$ 4,479	0.4%	(1.4)%	(1.4)%
8,274	4,575	3,699	26	3,673	—	3,673	EEMA	7,481	3,846	3,635	1.8%	1.0%	1.0%
9,434	4,175	5,259	350	4,909	108 [1]	4,801	Asia	7,465	3,469	3,996	31.6%	22.8%	20.1%
4,561	2,953	1,608	54	1,554	—	1,554	Latin America & Canada	4,016	2,569	1,447	11.1%	7.4%	7.4%
$ 36,764	**$21,700**	**$ 15,064**	**$ 511**	**$ 14,553**	**$ 108**	**$ 14,445**	**PMI Total**	**$ 32,970**	**$19,413**	**$ 13,557**	**11.1%**	**7.3%**	**6.6%**

2011						2010	% Change in Reported Operating Companies Income		
Reported Operating Companies Income	**Less Currency**	**Reported Operating Companies Income excluding Currency**	**Less Acquisi-tions**	**Reported Operating Companies Income excluding Currency & Acquisitions**		**Reported Operating Companies Income**	**Reported**	**Reported excluding Currency**	**Reported excluding Currency & Acquisitions**
$ 2,286	$ 131	$ 2,155	$ (1)	$ 2,156	European Union	$ 2,167	5.5%	(0.6)%	(0.5)%
1,557	(1)	1,558	—	1,558	EEMA	1,556	0.1%	0.1%	0.1%
2,491	247	2,244	24 [2]	2,220	Asia	1,569	58.8%	43.0%	41.5%
519	10	509	—	509	Latin America & Canada	455	14.1%	11.9%	11.9%
$ 6,853	**$ 387**	**$ 6,466**	**$ 23**	**$ 6,443**	**PMI Total**	**$ 5,747**	**19.2%**	**12.5%**	**12.1%**

(1) Includes the business combination in the Philippines ($105).
(2) Includes the business combination in the Philippines ($23).

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Reconciliation of Non-GAAP Measures
Reconciliation of Reported Operating Companies Income to Adjusted Operating Companies Income &
Reconciliation of Adjusted Operating Companies Income Margin, excluding Currency and Acquisitions
For the Six Months Ended June 30,
($ in millions)
(Unaudited)

2011								2010			% Change in Adjusted Operating Companies Income		
Reported Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisi-tions	Adjusted Operating Companies Income excluding Currency & Acquisitions		Reported Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions
$ 2,286	$ (12)	$ 2,298	$ 131	$ 2,167	$ (1)	$ 2,168	European Union	$ 2,167	$ —	$ 2,167	6.0%	— %	— %
1,557	(2)	1,559	(1)	1,560	—	1,560	EEMA	1,556	—	1,556	0.2%	0.3%	0.3%
2,491	(2)	2,493	247	2,246	24[1]	2,222	Asia	1,569	—	1,569	58.9%	43.1%	41.6%
519	(1)	520	10	510	—	510	Latin America & Canada	455	—	455	14.3%	12.1%	12.1%
$ 6,853	**$ (17)**	**$ 6,870**	**$ 387**	**$ 6,483**	**$ 23**	**$ 6,460**	**PMI Total**	**$ 5,747**	**$ —**	**$ 5,747**	**19.5%**	**12.8%**	**12.4%**

2011							2010			% Points Change	
Adjusted Operating Companies Income excluding Currency	Net Revenues excluding Excise Taxes & Currency[2]	Adjusted Operating Companies Income Margin excluding Currency	Adjusted Operating Companies Income excluding Currency & Acquisitions	Net Revenues excluding Excise Taxes, Currency & Acquisitions[2]	Adjusted Operating Companies Income Margin excluding Currency & Acquisitions		Adjusted Operating Companies Income	Net Revenues excluding Excise Taxes[2]	Adjusted Operating Companies Income Margin	Adjusted Operating Companies Income Margin excluding Currency	Adjusted Operating Companies Income Margin excluding Currency & Acquisitions
$ 2,167	$ 4,417	49.1%	$ 2,168	$ 4,417	49.1%	European Union	$ 2,167	$ 4,479	48.4%	0.7	0.7
1,560	3,673	42.5%	1,560	3,673	42.5%	EEMA	1,556	3,635	42.8%	(0.3)	(0.3)
2,246	4,909	45.8%	2,222	4,801	46.3%	Asia	1,569	3,996	39.3%	6.5	7.0
510	1,554	32.8%	510	1,554	32.8%	Latin America & Canada	455	1,447	31.4%	1.4	1.4
$ 6,483	**$ 14,553**	**44.5%**	**$ 6,460**	**$ 14,445**	**44.7%**	**PMI Total**	**$ 5,747**	**$ 13,557**	**42.4%**	**2.1**	**2.3**

(1) Includes the business combination in the Philippines ($23).
(2) For the calculation of net revenues excluding excise taxes, currency and acquisitions, refer to Schedule 14.

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Reconciliation of Non-GAAP Measures
Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS and Adjusted Diluted EPS, excluding Currency
For the Six Months Ended June 30,
(Unaudited)

	2011	2010	% Change
Reported Diluted EPS	**$ 2.42**	**$ 1.97**	**22.8%**
Adjustments:			
Asset impairment and exit costs	0.01	—	
Tax items	(0.02)	(0.07)	
Adjusted Diluted EPS	**$ 2.41**	**$ 1.90**	**26.8%**
Less:			
Currency impact	0.16		
Adjusted Diluted EPS, excluding Currency	**$ 2.25**	**$ 1.90**	**18.4%**

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Reconciliation of Non-GAAP Measures
Reconciliation of Reported Diluted EPS to Reported Diluted EPS, excluding Currency
For the Six Months Ended June 30,
(Unaudited)

	2011	2010	% Change
Reported Diluted EPS	**$ 2.42**	**$ 1.97**	**22.8%**
Less:			
Currency impact	0.16		
Reported Diluted EPS, excluding Currency	**$ 2.26**	**$ 1.97**	**14.7%**

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
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 June 30, 2011			For the Year Ended December 31, 2010
	July ~ December 2010	January ~ June 2011	12 months rolling	
Earnings before income taxes	$ 5,149	$ 6,298	$11,447	$ 10,324
Interest expense, net	430	421	851	876
Depreciation and amortization	485	488	973	932
EBITDA	**$ 6,064**	**$ 7,207**	**$13,271**	**$ 12,132**

	June 30, 2011	December 31, 2010
Short-term borrowings	$ 570	$ 1,747
Current portion of long-term debt	3,314	1,385
Long-term debt	13,037	13,370
Total Debt	**$16,921**	**$ 16,502**
Less: Cash and cash equivalents	2,178	1,703
Net Debt	**$14,743**	**$ 14,799**
Ratios		
Total Debt to EBITDA	**1.28**	**1.36**
Net Debt to EBITDA	**1.11**	**1.22**

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Reconciliation of Non-GAAP Measures
Reconciliation of Operating Cash Flow to Free Cash Flow and Free Cash Flow, excluding Currency
Reconciliation of Operating Cash Flow to Operating Cash Flow, excluding Currency
For the Quarters and Six Months Ended June 30,
($ in millions)
(Unaudited)

	For the Quarters Ended June 30,			For the Six Months Ended June 30,		
	2011	2010	% Change	2011	2010	% Change
Net cash provided by operating activities[(a)]	**$ 4,120**	**$ 3,465**	**18.9%**	**$ 6,515**	**$ 5,439**	**19.8%**
Less:						
Capital expenditures	186	169		345	319	
Free cash flow	**$ 3,934**	**$ 3,296**	**19.4%**	**$ 6,170**	**$ 5,120**	**20.5%**
Less:						
Currency impact	236			264		
Free cash flow, excluding currency	**$ 3,698**	**$ 3,296**	**12.2%**	**$ 5,906**	**$ 5,120**	**15.4%**

	For the Quarters Ended June 30,			For the Six Months Ended June 30,		
	2011	2010	% Change	2011	2010	% Change
Net cash provided by operating activities[(a)]	**$ 4,120**	**$ 3,465**	**18.9%**	**$ 6,515**	**$ 5,439**	**19.8%**
Less:						
Currency impact	250			279		
Net cash provided by operating activities, excluding currency	**$ 3,870**	**$ 3,465**	**11.7%**	**$ 6,236**	**$ 5,439**	**14.7%**

(a) Operating cash flow.

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Reconciliation of Non-GAAP Measures
Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS
For the Year Ended December 31,
(Unaudited)

	2010
Reported Diluted EPS	**$ 3.92**
Adjustments:	
Tax items	**(0.07)**
Asset impairment and exit costs	**0.02**
Adjusted Diluted EPS	**$ 3.87**

Exhibit 99.2

Philip Morris International Inc.
2011 Second-Quarter Results Conference Call
July 21, 2011

NICK ROLLI

(SLIDE 1.)

Welcome. Thank you for joining us. Earlier today, we issued a news release containing detailed information on our 2011 second-quarter results. You may access the release on our web site at www.pmi.com.

(SLIDE 2.)

During our call today, we will be talking about results for the second-quarter 2011 and comparing them with the same period in 2010 unless otherwise stated. References to PMI volumes are for PMI shipments. Industry volume and market shares are the latest data available from a number of internal and external sources. Organic volume refers to volume excluding acquisitions. Net revenues exclude excise taxes. Operating Companies Income, or "OCI", is defined as operating income before general corporate expenses and the amortization of intangibles.

You will find data tables showing how we made adjustments to net revenues and OCI for currency, acquisitions, asset impairment, exit and other costs, free cash flow calculations, and adjustments to Earnings per Share, or "EPS", as well as reconciliations to U.S. GAAP measures, at the end of today's web cast slides, which are posted on our web site.

(SLIDE 3.)

Today's remarks contain forward-looking statements and projections of future results, and I direct your attention to the Forward-Looking and Cautionary Statements disclosure in today's presentation and news release for a review of the various factors that could cause actual results to differ materially from projections.

It's now my pleasure to introduce Hermann Waldemer, Chief Financial Officer.

Hermann.

HERMANN WALDEMER

(SLIDE 4.)

Welcome, ladies and gentlemen. We reported another very strong performance during the second quarter. We achieved stable organic cigarette volumes; net revenues, excluding currency and acquisitions, grew by a strong 10.1%; adjusted OCI, excluding currency and acquisitions, surged 16.5%; and adjusted diluted EPS were 21.0% above the prior year's level, excluding currency.

These excellent results can be attributed in particular to the Asia Region, with Indonesia, Japan, Korea and the Philippines all performing very strongly, and higher prices in a wide range of markets.

(SLIDE 5.)

During the second quarter, our pricing variance reached $617 million, for a total of $1.1 billion during the first half of the year. In the last three months, we implemented or announced price increases in markets such as Algeria, Argentina, Australia, Canada, Egypt, Germany, Italy, the Netherlands, Russia and Saudi Arabia, thus reinforcing our strong pricing momentum. Furthermore, the pricing situation in Spain improved in July.

(SLIDE 6.)

We also have strong overall business momentum. Our share in the second quarter for our top 30 OCI markets was up 2.3 points to 38.5%.

(SLIDE 7.)

Marlboro had stable volume in the quarter on a global PMI basis, as higher volume in the Asia and EEMA Regions offset the impact of lower industry volume in the EU and Latin America & Canada Regions. The brand's share was up or stable in all four Regions and its global share, excluding China and the USA, grew by 0.4 points to 9.3%.

(SLIDE 8.)

During the second quarter, *L&M*, our second largest brand, increased its volume by 3.1%, accelerating its growth in the EU Region and part of the EEMA Region. These results were achieved by strong share growth in a wide range of markets, including Egypt, Germany, the Netherlands, Poland, Slovakia, and Turkey.

(SLIDE 9.)

In light of our excellent results, strong pricing and good share and business momentum going into the second half of the year, as well as a more favorable currency outlook at prevailing exchange rates, we announced today a further 15 cents increase in our reported diluted EPS guidance for 2011. Ten cents of the increased guidance relate to the business, the improvement being largely attributable to Japan. Five cents relate to currency, though it should be noted that exchange rates may still experience some volatility over the balance of the year.

The new guidance range is $4.70 to $4.80. Compared to our adjusted diluted EPS of $3.87 in 2010, this corresponds to an increase of approximately 21.5-24% at prevailing exchange rates, and approximately 15-17.5% excluding currency.

(SLIDE 10.)

Our excellent results in the first half and our favorable outlook for the second half of 2011 demonstrate the benefits of our global footprint and highlight our success with attractive acquisitions and organic volume growth over the last ten years in Asia, where half of the world population lives. Our strong results in the second quarter reflect the strength of our management teams in these markets and especially in Japan, where they took the calculated risk to commit around $100 million in air freight when the extent of the additional demand for our brands was still difficult to judge. Our efficient, yet flexible, global manufacturing footprint and effective market response enabled us to fill the void caused by the shortage of JT and, more recently, BAT products.

In the second quarter, net revenues in the Asia Region grew by 27.7%, excluding currency and acquisitions, and adjusted OCI was 48.2% higher on the same basis. As a result, the Region is now our largest contributor to these measures, accounting for 35% and 36%, respectively, of PMI's net revenues and adjusted OCI during the first half of this year, and this contribution is expected to increase further as our business in the Region continues to expand.

(SLIDE 11.)

During the second quarter, PMI shipments to Japan reached 19.5 billion units, up 1.9 billion, or 11.0%, compared to the same period last year. This increase was achieved despite the unfavorable impact of the large October 2010 tax-driven price increases and the boost to our shipments that occurred in the second quarter of last year ahead of that increase. Our market share reached 42.0%, 17.7 points above the prior year level and 16.4 points above our share in the first quarter of 2011. As we ensured full product availability throughout the period, all our brands gained share, and in particular *Lark* and *Marlboro*.

Determining exactly how the rest of the year will pan out remains very difficult due to the complex interaction of multiple factors. These include the impact of the tax-driven price increase in October last year, the consumer and trade's prior year loading and subsequent de-loading patterns, the underlying market decline trend, the price elasticity and whether it will diminish over time, the disruption of JT supplies and shortages of certain BAT products, the precise impact of our efficient response, and our level of smoker share retention once a full range of competitive products are available. The new trend for industry volume and the new base for PMI's future market share growth will not be clear until the fourth quarter of this year at the earliest.

(SLIDE 12.)

Our business is also doing very well in Indonesia. Thanks to a strong economy and a favorable comparison with a relatively soft second quarter 2010, industry volume grew an exceptional 13.9% in the second quarter of this year. For the full year, we expect the annual growth rate to be in a range of 4-6%.

Our volume in the quarter was up by 20.7% to 22.6 billion units, and our market share grew by 1.6 points to 30.2%, with all our kretek brands gaining or maintaining their market share and *Marlboro* increasing its volume and its share within the "white" cigarette segment, despite a reduction in its overall market share.

The growing volume, along with continual moderate price increases, is driving strong profitability growth in Asia's second largest cigarette market after China.

(SLIDE 13.)

In Korea, we continued to achieve strong volume and share growth behind *Marlboro* and *Parliament*. Our market share grew by 3.3 points to 19.9% in the quarter, with a 1.0 share point contribution from innovative *Marlboro* menthol line extensions. Korea is one of the few key markets worldwide where we have not increased retail prices in the past year, in light of the more important need to secure excise tax reform for the long term.

(SLIDE 14.)

PMI's organic volume in the EEMA Region declined by 3.4% in the second quarter, due primarily to Ukraine. For the full year, we expect our volume to be stable in the Region.

Net revenues were up by 3.6% during Q2, excluding currency and acquisitions. Adjusted OCI was 4.8% higher, excluding currency and acquisitions, driven primarily by increased volumes in Turkey and North Africa and higher prices across many markets, in particular Russia. This was partly offset by lower volumes in Eastern Europe and additional investments in business building initiatives in Russia.

(SLIDE 15.)

These investments will further boost the momentum of *Parliament*, *Chesterfield* and *Bond Street* in Russia, while addressing the issues surrounding *Marlboro*. These efforts will, however, take some time to have a measurable impact on our market share, which declined by 0.1 point to 25.4% in the second quarter through the end of May, due mainly to a temporary price disadvantage to competitive products.

At the beginning of this month, we announced to the trade a further price increase of 3 Rubles on *Marlboro* and 2 Rubles on average across the rest of our portfolio. Our lowest price in the market will now be 21 Rubles a pack for *Optima*, up 27% from a year ago.

These price increases, along with lower disposable incomes, as wage increases have failed to keep pace with inflation, are limiting the extent of consumer uptrading. Industry volume, meanwhile, is expected to decline at an annualized rate of some 2-3% this year, in line with 2010.

Earlier this month, the Russian Government approved its Tax Policy Guidelines, or “TPG”, for the period 2012 through 2014, including a detailed three-year excise tax development plan for tobacco products. The TPG foresees that excise taxes will be indexed periodically in line with inflation and economic conditions in Russia. In addition to the excise tax increases already foreseen for January 2012 in the current law, the TPG calls for an additional increase in July 2012 of 8.3% in the specific element to 390 Rubles per thousand and 10.9% in the Minimum Excise Tax to 510 Rubles per thousand. While the proposed increases are significant, we believe they should be manageable. It should, however, be highlighted that this is the first step in the process and that the plan needs to be submitted to the Duma and the Federation Council for approval. The final adoption of the law is not expected to take place until November this year.

(SLIDE 16.)

In Ukraine, the estimated 15% decline in industry volume in the second quarter masks an improving underlying trend, as the data is distorted by the heavy trade loading that took place in the same period last year ahead of tax-driven price increases. We expect the market to stabilize during the second half of the year.

The Ukrainian market is tending to polarize with the premium and the super-low price segments both expanding, while several small local manufacturers and illicit trade continue to grow volume. PMI’s market share was down 3.5 points in the quarter to 32.1%, as we are under-represented in the super-low price segment. We have reduced the price gap between *Bond Street* and the bottom of the market to address this issue. Meanwhile, both *Parliament* and *Marlboro* are performing well and increased their market share during the quarter.

(SLIDE 17.)

Overall, the Turkish cigarette market has now stabilized. Our volume grew by 12.1% in the second quarter, though it remains below the levels prior to the tax increase of January 2010. Our market share reached 44.6% in the quarter through the end of May, up 3.8 points. This impressive share improvement covers all three price segments, and is led by premium *Parliament*, mid-price *Muratti* and low-price *L&M*.

(SLIDE 18.)

Despite the issues that continued to impact Spain and to a lesser extent Greece, the results in the EU Region in the second quarter were more positive from a number of standpoints. Industry volume declined by a modest 1.7% and was actually up in markets such as the Czech Republic, France and Germany. PMI volume was 3.1% lower due to an 8.4% decline in Greece, a 17.6% reduction in Spain and a decrease of 9.7% in Poland, where we shed share at the lowest and least profitable end of the market. Our key brands, *Marlboro* and *L&M* performed well: *Marlboro*'s Regional share was stable at 18.1% and *L&M*'s grew a further 0.3 points to 6.6%.

Net revenues and adjusted OCI were up 0.7% and 2.3% respectively, excluding currency and acquisitions. While we are not entirely satisfied with the situation, there are some clear signs for renewed optimism concerning the future contribution of the EU Region to PMI's profitability growth going forward.

(SLIDE 19.)

Germany has again become one of the strongest tobacco markets in the EU. During the first half of the year, industry volume was up 1.9% for cigarettes and 4.8% for fine cut. PMI increased its market share by 0.3 and 0.4 points, to 35.9% and 14.8%, respectively, during this period. *L&M* continues to perform very strongly, gaining a further 1.0 points in the second quarter to reach a cigarette share of 10.4%. Unit margin-enhancing price increases have been implemented. A remaining concern is the growth of discounted larger pack sizes. While the market share of "big" packs, defined as 22 to 25 cigarettes per pack, appears to have stabilized, the share of "maxi" packs, that is packs with over 26 cigarettes, continues to increase and may receive a boost from the recent introduction of packs of 40 cigarettes.

(SLIDE 20.)

The Spanish economy continues to suffer from high unemployment levels with few signs of improvement. Consequently, cigarette industry volumes have been contracting at double-digit rates and consumers have been downtrading to cheaper brands and illicit trade products. This is the special context in which price competition was exacerbated in May/June this year. However, recent developments indicate the situation has improved.

(SLIDE 21.)

Industry volume increased 1.8% in France and was stable in Italy during the second quarter. Our cigarette market share was up slightly in France to 40.9%, as the continued growth of the *Philip Morris* brand, also positioned in the premium segment, more than offset a slight decline of *Marlboro*'s share. At the same time, following the entry of *Marlboro* into the category, we also became the market leader in fine cut with a quarterly share of 25.0%, up 5.6 points.

Our market share in Italy was down 0.7 points to 53.4%, with *Marlboro* down 0.3 points. This was attributable to the relative decline of the premium segment, where PMI has a 95% share. Our profitability, however, continued to improve in both markets, with high single digit increases in the quarter. Furthermore, we recently announced a 10 Euro Cent price increase across our portfolio in Italy.

(SLIDE 22.)

After increasing the specific to total component in its excise tax last December, earlier this month the Greek Government increased the Minimum Excise Tax from 75% to 100% of the excise tax levied on the Weighted Average Price. This implies a pass-on of nearly 50 Euro Cents for 20 cigarettes at the very bottom end of the market, where cigarettes retail at €2.40. PMI has announced an increase in the price of its main low-price brand, *L&M* 25s, from €3.20 to €3.70 per pack. The reduction in price gaps should help the continued recovery of *Marlboro*'s market share in Greece.

(SLIDE 23.)

Our volume in the Latin America & Canada Region was 4.8% lower in the quarter, driven by a double digit market contraction in Mexico following the large tax-driven price increases at the end of last year, and by the timing of shipments in Brazil. Despite a challenging pricing environment, our market share in Mexico reached 72.2%, with *Marlboro* surging 3.8 points to reach a 52.0% share. Our business in Argentina performed very well, with volume growth of over 8% and gains for *Marlboro*, which added 0.6 points to reach a 24.0% market share.

Net revenues for the Region increased by 5.8% in the quarter, excluding currency and acquisitions, and adjusted OCI was 8.8% higher on the same basis.

(SLIDE 24.)

On the regulatory front, the main focus remains on plain packaging. Although certain other governments have expressed their opposition to such a measure, the Australian Government continues to appear intent on mandating the implementation of plain packaging in 2012 and has submitted a proposed bill to Parliament.

Plain packaging will result in the illegal confiscation of our very valuable trademarks and branded assets, in violation of international trade laws and treaties. We have, therefore, served notice of our intention to file an arbitration claim against the Australian Government under the Hong Kong – Australia Bilateral Investment Treaty. We are now in a mandatory three month period set aside for negotiation under this procedure. Consequently, we have written to the Government seeking a meeting.

(SLIDE 25.)

Strong pricing and very moderate increases in tobacco and non-tobacco material costs, as well as our continued focus on productivity improvements, resulted in a 2.5 point increase in PMI's adjusted OCI margin, excluding currency and acquisitions, during the second quarter.

(SLIDE 26.)

Our free cash flow increased by $638 million, or 19.4% in the quarter to $3.9 billion. Excluding currency, the increase was $402 million, or 12.2%. The increase was driven mainly by our excellent business results. During the first half of the year, our free cash flow was up more than $1 billion to nearly $6.2 billion.

(SLIDE 27.)

During the second quarter, we spent $1.5 billion to repurchase 22.7 million shares at an average price of $68.32. Since the March 2008 spin, we have now repurchased 17.9% of the shares outstanding at that time.

(SLIDE 28.)

In conclusion, PMI had an excellent quarter. Our adjusted diluted EPS growth reached 21.0%, excluding currency. Our outlook is promising, with strong market share and business momentum. Pricing remains a very strong driver of profitability, with Spain a special case. We are not under any significant input cost pressures and expect to exceed our annual productivity savings target of $250 million this year.

We have increased our 2011 EPS guidance by a further 15 cents, bringing it to a range of $4.70 to $4.80. Compared to an adjusted diluted EPS of $3.87 in 2010, this corresponds to an increase of approximately 21.5-24% at prevailing exchange rates, and approximately 15-17.5% excluding currency.

And finally, and most importantly, our cash flow continues to grow and we are focused on generously rewarding our shareholders through dividends and share repurchases.

(SLIDE 29.)

Thank you. I will now be happy to answer your questions.

NICK ROLLI

Well, thank you for joining us. That concludes our call today. If you have any follow-up questions, please contact the investor relations team here in Lausanne.

Thank you again and have a nice day.

Exhibit 99.3

PHILIP MORRIS INTERNATIONAL

2011 Second-Quarter Earnings Results

July 21, 2011

Introduction

PHILIP MORRIS INTERNATIONAL

- Unless otherwise stated, we will be talking about results for the second-quarter 2011 and comparing them with the same period in 2010
- References to PMI volumes refer to PMI shipment data, unless otherwise stated
- Industry volume and market shares are the latest data available from a number of internal and external sources
- Organic volume refers to volume excluding acquisitions
- Net revenues exclude excise taxes
- OCI stands for Operating Companies Income, which is defined as operating income before general corporate expenses and the amortization of intangibles. OCI growth rates are on an adjusted basis, which excludes asset impairment, exit and other costs
- Data tables showing adjustments to net revenues and OCI for currency, acquisitions, asset impairment, exit and other costs, free cash flow calculations, adjustments to EPS, and reconciliations to U.S. GAAP measures are at the end of today's web cast slides and are posted on our web site

Forward-Looking and Cautionary Statements

PHILIP MORRIS INTERNATIONAL

- This presentation and related discussion contain statements that, to the extent they do not relate strictly to historical or current facts, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current plans, estimates and expectations, and are not guarantees of future performance. They are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. PMI undertakes no obligation to publicly update or revise any forward-looking statements, except in the normal course of its public disclosure obligations. The risks and uncertainties relating to the forward-looking statements in this presentation include those described under Item 1A. “Risk Factors” in PMI’s Form 10-Q for the quarter ended March 31, 2011, filed with the Securities and Exchange Commission

Second-Quarter 2011 Results

- Very strong financial performance:

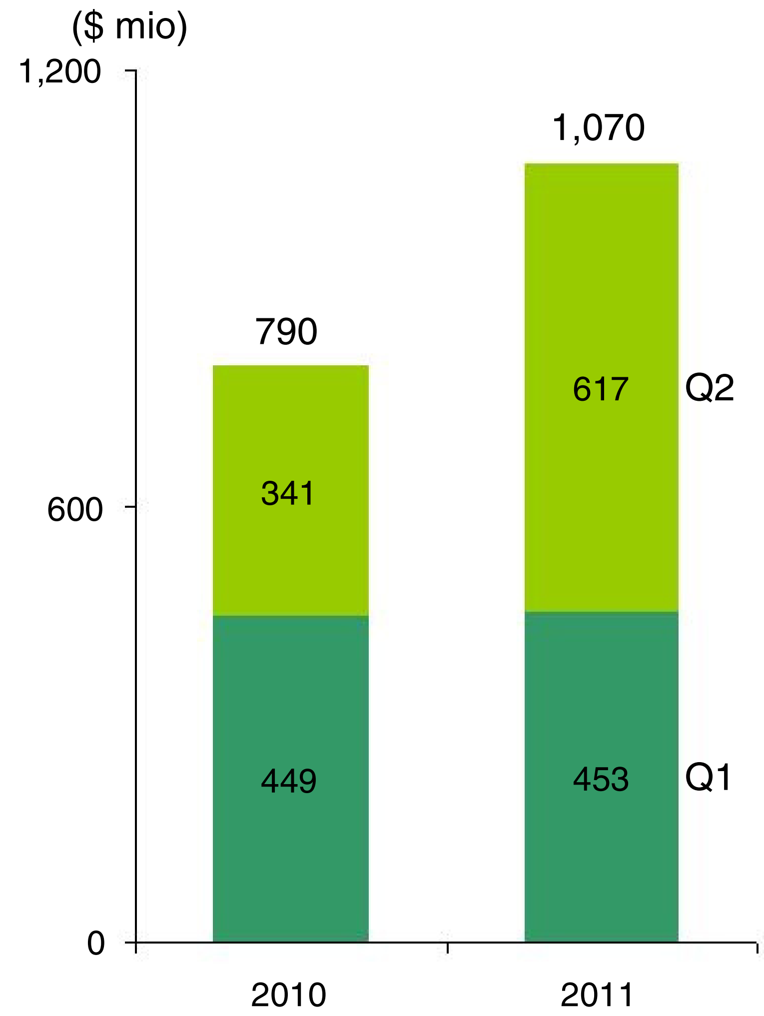
	Q2, 2011 Results[a]
Organic Cigarette Volume	+0.1%
Net Revenues	+10.1%
Adjusted OCI	+16.5%
Adjusted Diluted EPS	+21.0%

- Key drivers:
  - Excellent results in the Asia Region, led by Indonesia, Japan, Korea and the Philippines
  - Higher prices in a wide range of markets

(a) All financial growth rates exclude currency. Net revenues and OCI growth rates also exclude acquisitions
Source: PMI Financials

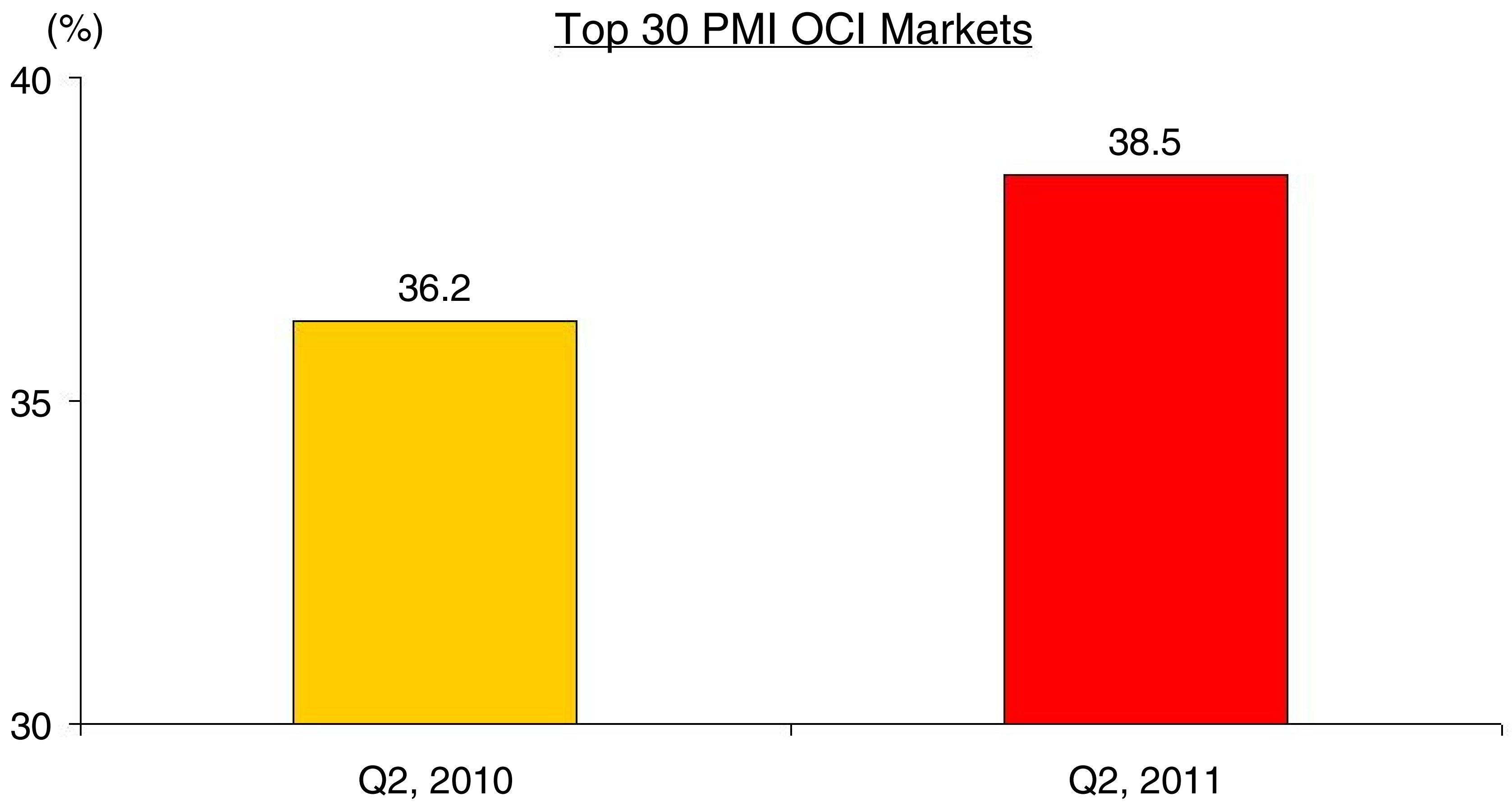
Pricing Variance

- Pricing remains the key driver of our increased profitability
- During the last three months, PMI implemented or announced price increases in numerous markets
- Pricing situation in Spain improved in July



Source: PMI Financials

PMI Market Share Developments



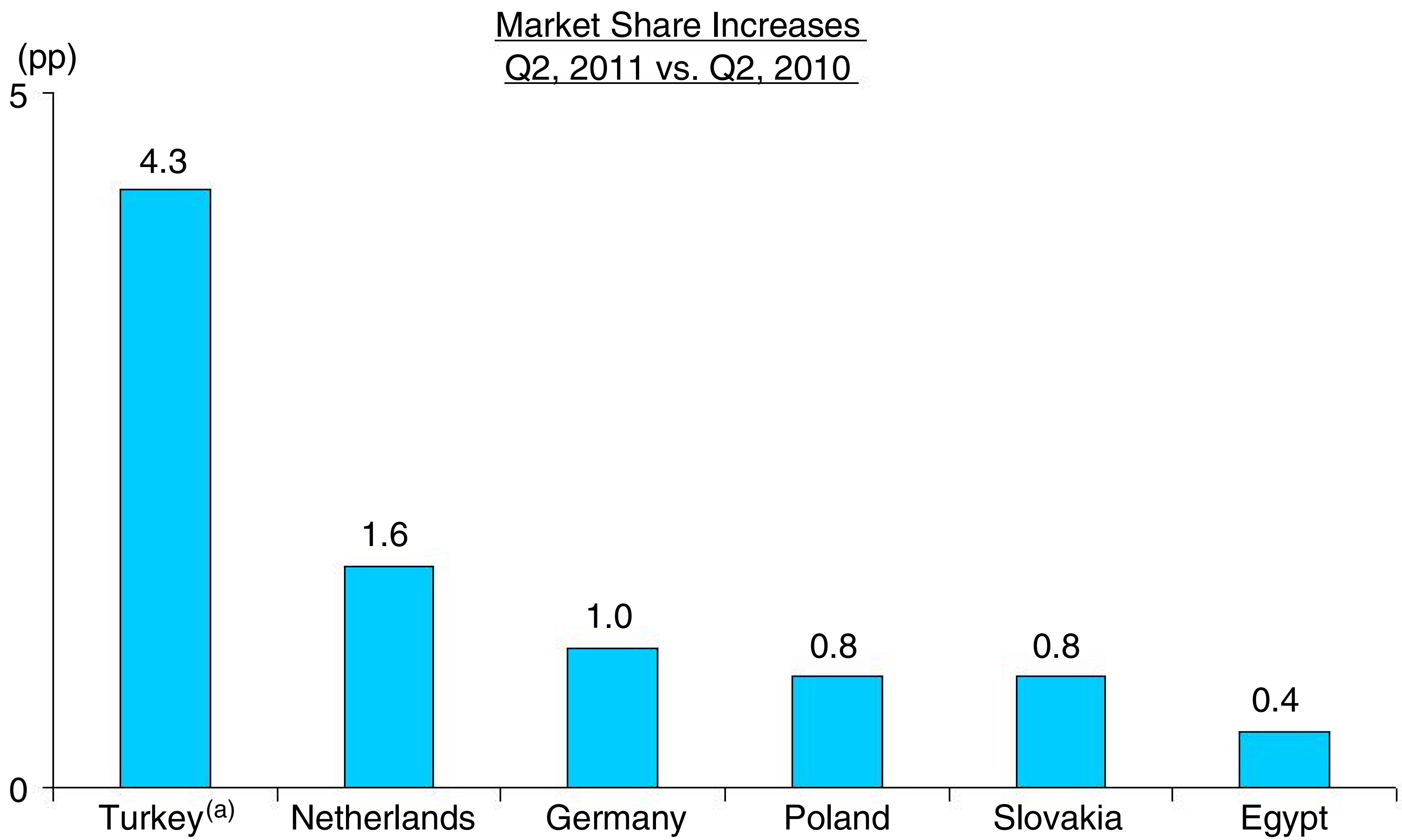
Source: PMI Financials and estimates

Marlboro Market Share Developments

	Market Shares		
	Q2, 2010	Q2, 2011	Variance
EU	18.1 %	18.1 %	- pp
EEMA	6.3	6.9	0.6
Asia[(a)]	6.0	6.7	0.7
LA&C	13.6	13.7	0.1
Total[(a)(b)]	**8.9**	**9.3**	**0.4**

(a) Excluding PRC
(b) Also excluding the USA
Source: PMI estimates

L&M Market Share Developments



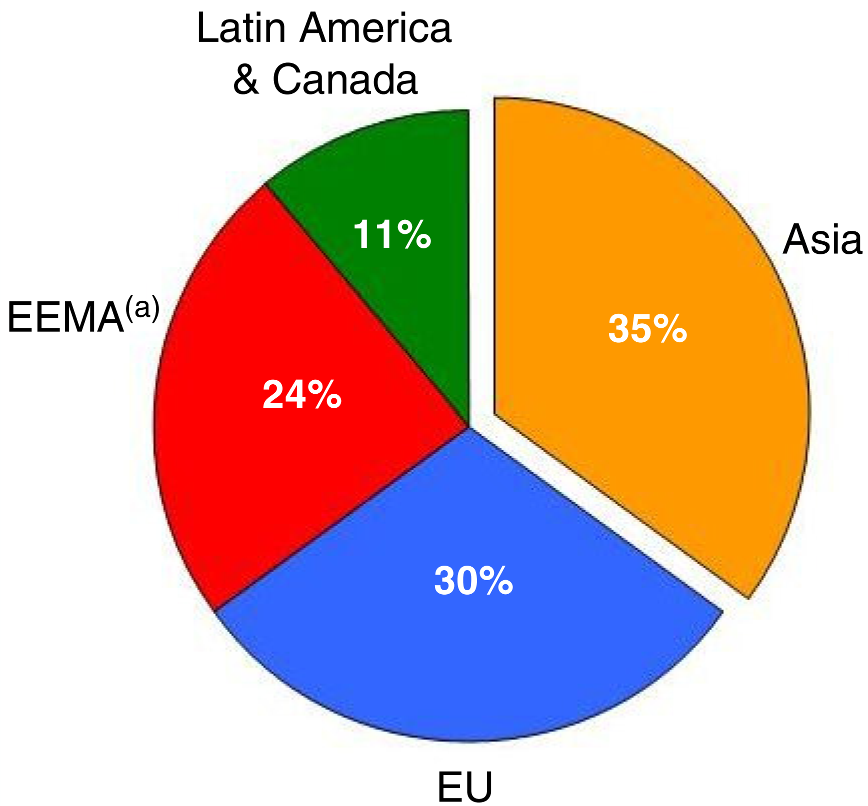
(a) QTD May
Source: A.C. Nielsen and PMI estimates

2011 EPS Guidance

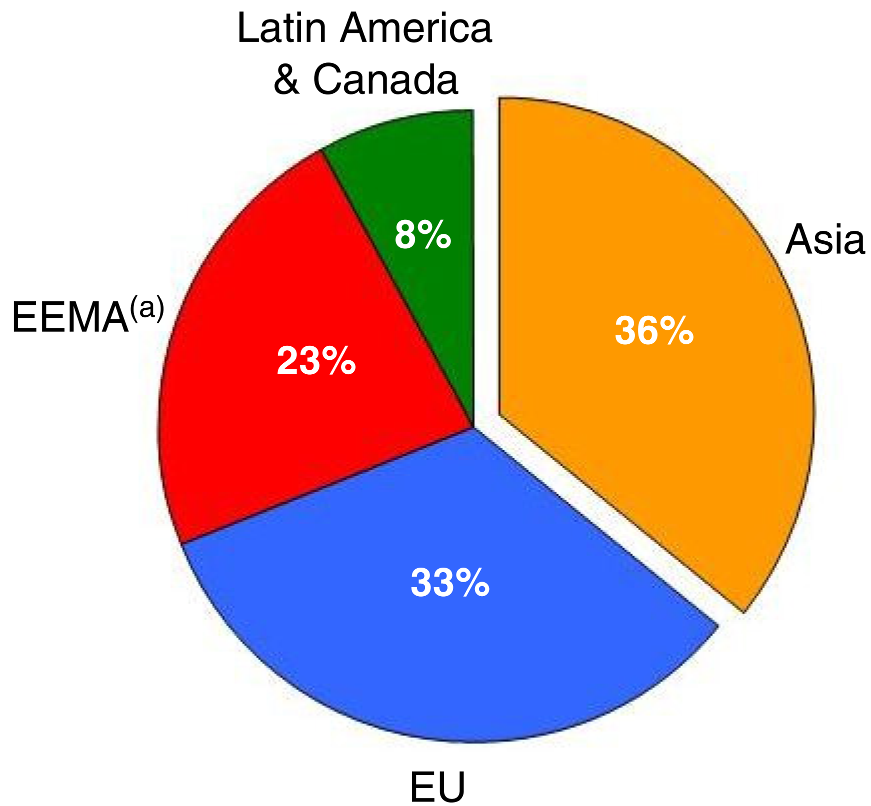
- Reported diluted EPS guidance for 2011 is being raised by a further 15 cents to $4.70 to $4.80
- Ten cents of the increase are attributable to improvements in the business, largely Japan
- Five cents relate to a more favorable currency outlook at prevailing exchange rates
- Compared to our adjusted diluted EPS of $3.87 in 2010, this corresponds to a growth rate of approximately 21.5 to 24% at prevailing exchange rates, and approximately 15% to 17.5% excluding currency

Source: PMI forecasts

PMI Results by Region



H1, 2011 Net Revenues:
$15.1 billion

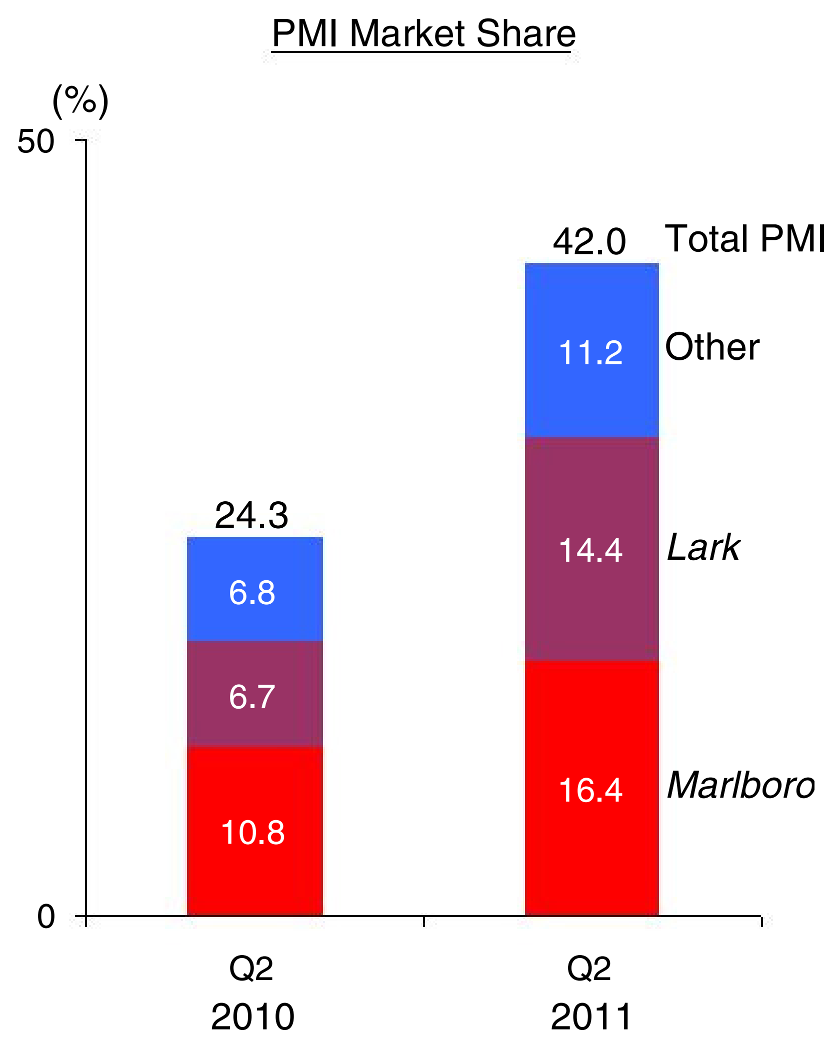


H1, 2011 Adjusted OCI:
$6.9 billion

(a) Eastern Europe, Middle East & Africa Region
Source: PMI Financials

Japan

- PMI shipments to Japan reached 19.5 billion units in Q2, 2011, up 1.9 billion, or 11.0%
- Second half impact subject to complex interaction of multiple factors
- New base for industry volume and PMI share will not be clear until Q4, 2011, at the earliest

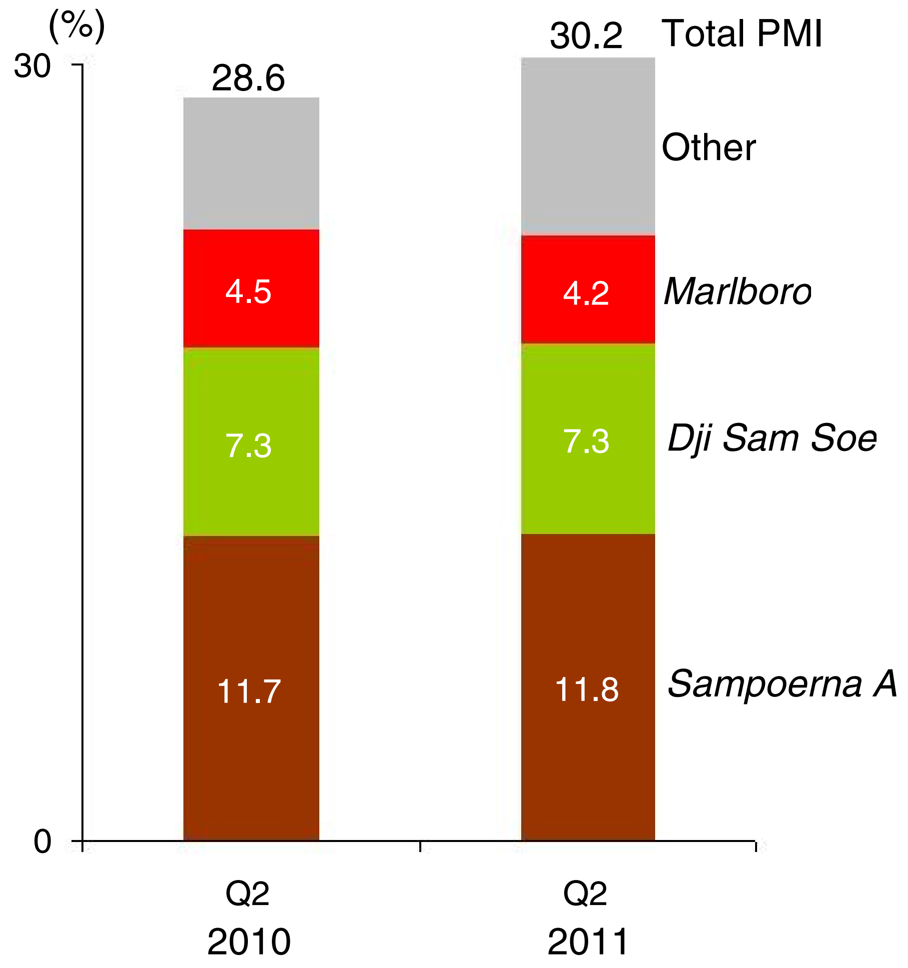


Source: PMI Financials and Tobacco Institute of Japan

Indonesia

- Strong economy and relatively soft Q2, 2010, drove industry volume up 13.9% in Q2, 2011
- PMI volume up 20.7% to 22.6 billion units in the same period
- Strong profitability growth in Asia's second largest market after China

PMI Market Share

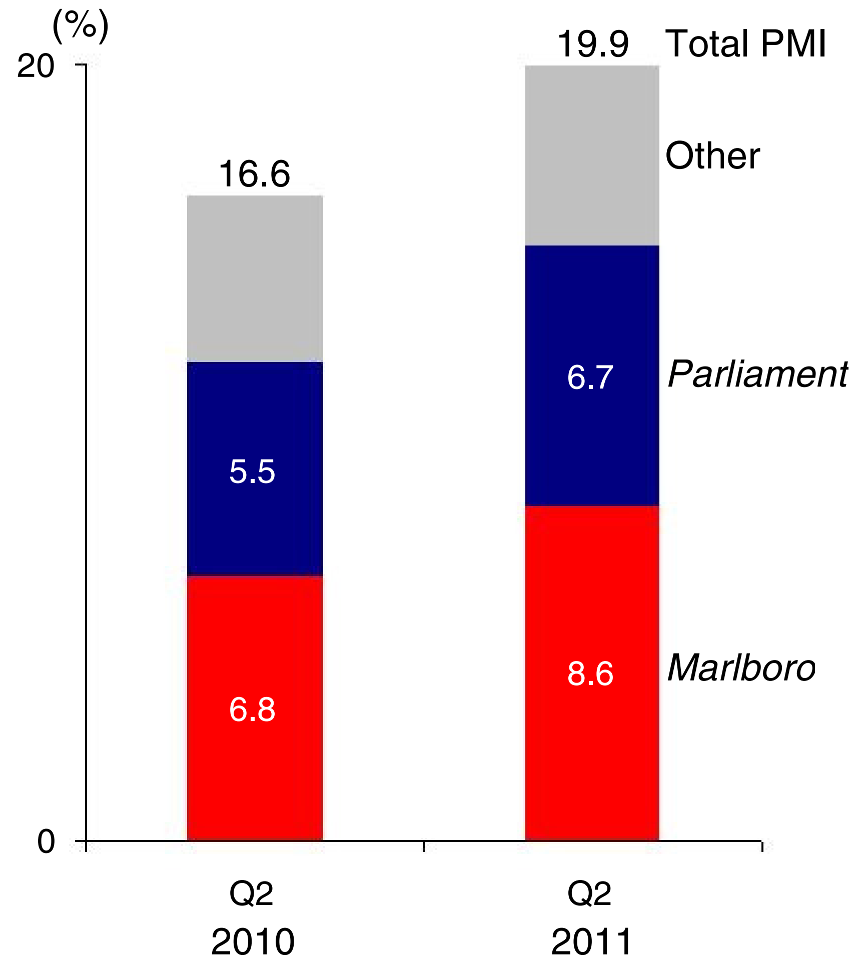


Source: PMI estimates and PMI Financials

Korea

- Strong volume and share growth momentum continued, driven by *Marlboro* and *Parliament*
- Innovative *Marlboro* menthol line extensions contributed 1.0 share points in Q2, 2011
- PMI seeking to secure excise tax reform

PMI Market Share



Source: PMI Financials and Hankook Research

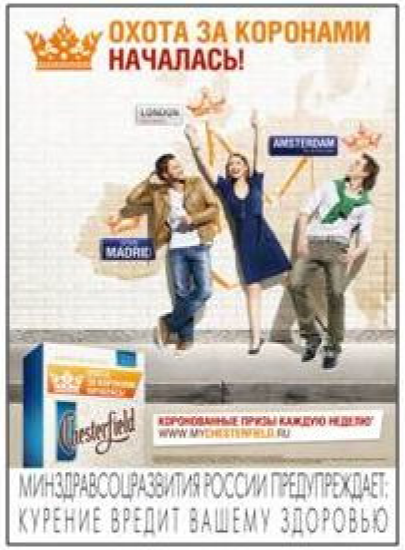
EEMA Region

- PMI's organic volume declined by 3.4% due primarily to Ukraine
- Full-year Regional volume expected to be stable
- Net revenues and adjusted OCI, excluding currency and acquisitions, were up 3.6% and 4.8%, respectively in Q2
- Profitability improvement driven by:
  - Increased volumes in Turkey and North Africa, and
  - Higher prices across the Region, most notably in Russia, partly offset by
  - Lower volumes in Eastern Europe, and
  - Increased investments in business building initiatives in Russia

Source: PMI Financials

Russia

- Investments to support strong performance of *Parliament*, *Chesterfield* and *Bond Street*, and address *Marlboro* issues
- Market share down 0.1pp QTD May, 2011, to 25.4%
- PMI price increase announced earlier this month
- Limited consumer uptrading and expected overall market decline of 2-3% this year, in line with 2010
- Russian Government has approved new road map for excise taxes

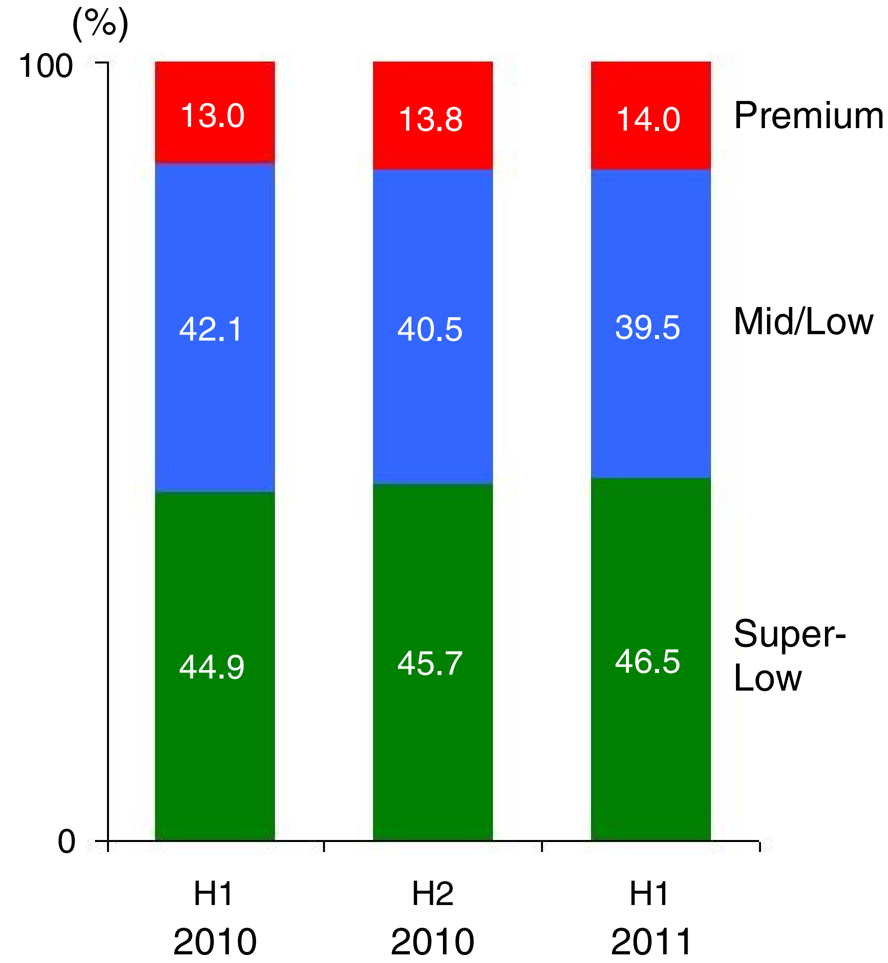


Source: A.C. Nielsen, PMI estimates and Russian Ministry of Finance

Ukraine

- Estimated industry volume decline of 15% distorted by trade loading in Q2, 2010
- Total market expected to stabilize during second half
- PMI share down 3.5pp to 32.1% in the second quarter, due to under-representation in super-low segment. Issue being addressed through more attractive pricing of *Bond Street*
- Market shares of *Parliament* and *Marlboro* are growing

Industry Price Segments

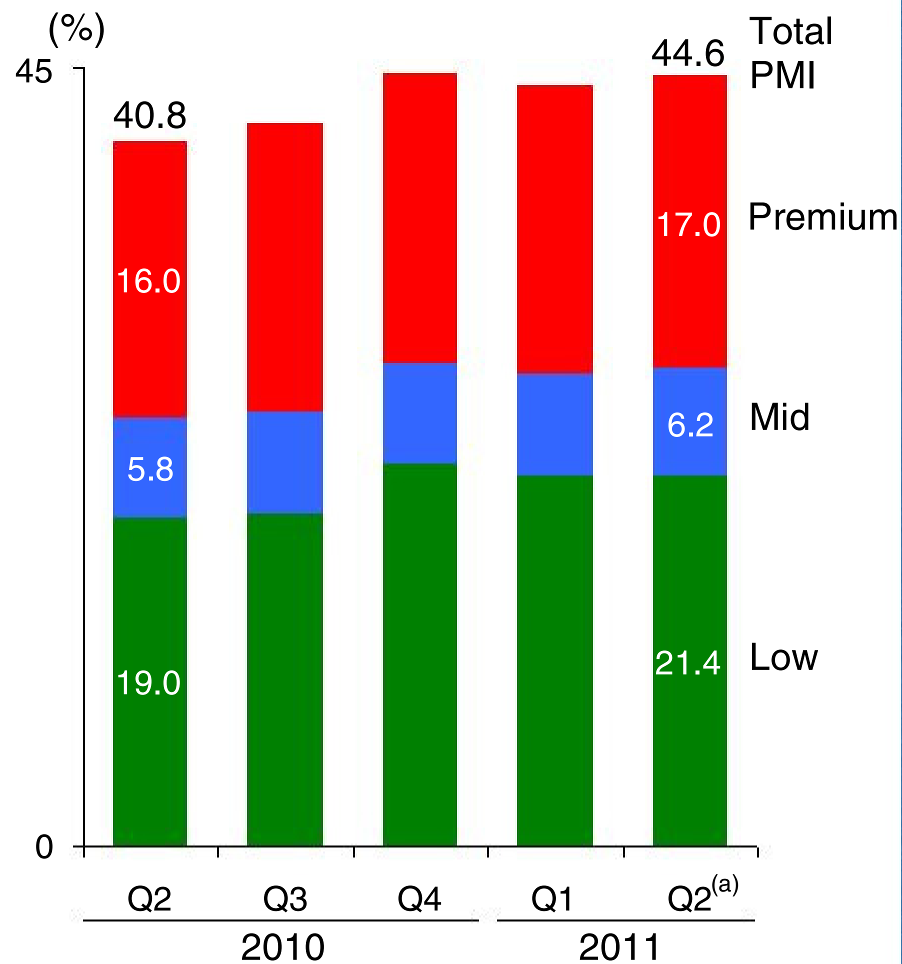


Source: PMI estimates and A.C. Nielsen

Turkey

- Total market has stabilized
- PMI volume up 12.1% in Q2, 2011
- PMI reached a market share of 44.6% in QTD May, 2011, up 3.8pp
- PMI share improvement in all three price segments, led by *Parliament*, *Muratti* and *L&M*

PMI Market Share



(a) QTD May
Source: PMI estimates, PMI Financials and A.C. Nielsen

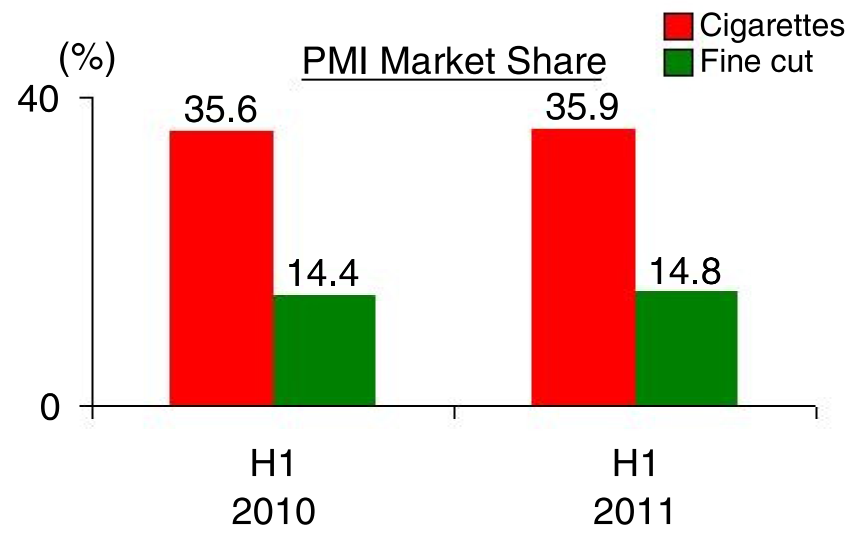
EU Region

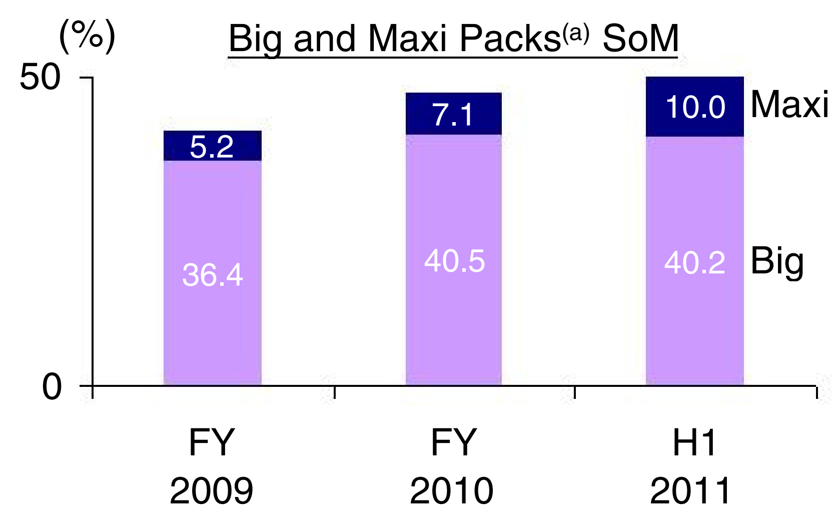
- Despite the issues that continued to impact Spain and to a lesser extent Greece, the results in the second quarter were more positive:
  - Industry volume declined by a modest 1.7%
  - PMI volume was 3.1% lower due to Greece, Poland and Spain
  - *Marlboro's* Regional share was stable at 18.1% and *L&M* grew a further 0.3pp to 6.6%
  - Net revenues and adjusted OCI were up 0.7% and 2.3%, respectively, excluding currency and acquisitions

Source: PMI estimates and PMI Financials

Germany

- Total industry volumes of cigarettes and fine cut have increased this year
- PMI cigarette and fine cut market shares are growing
- Very strong performance of *L&M*
- Unit margin-enhancing price increases implemented
- Continued growth of “maxi” pack segment





(a) Big packs (22-25 cigs) and Maxi packs (26+ cigs)
Source: PMI estimates

Spain

High unemployment

⬇

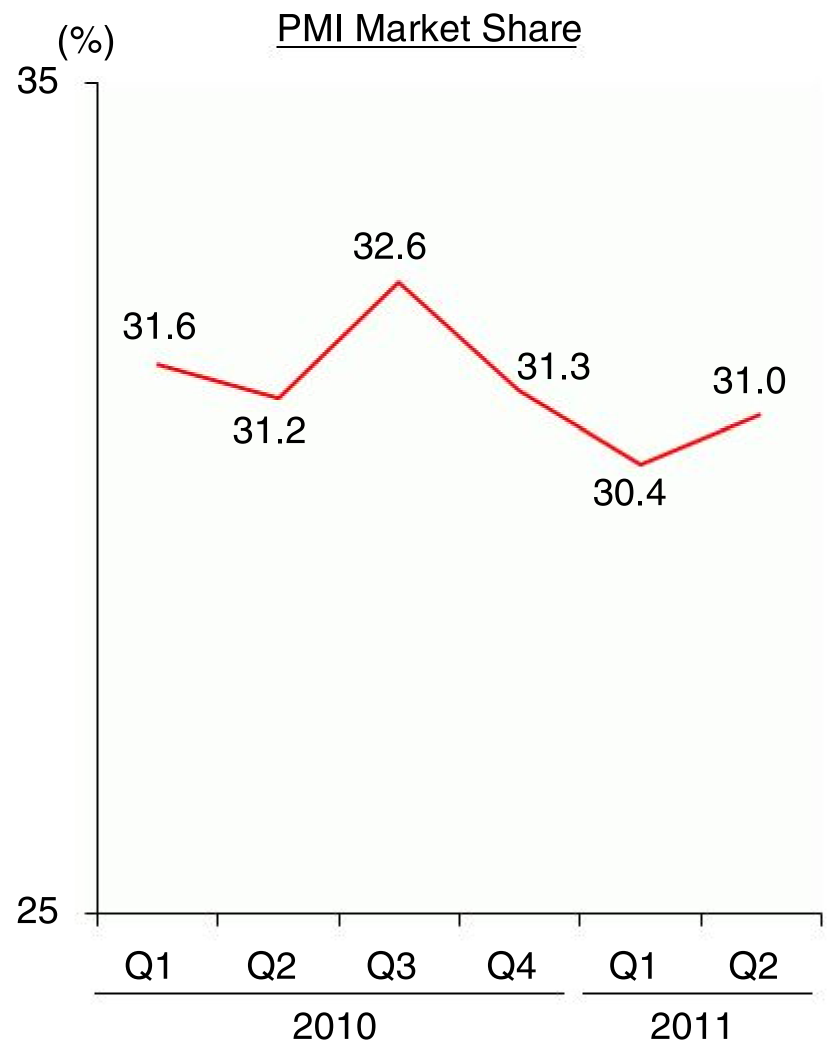
Cigarette industry contracting at double-digit rate and consumer downtrading

⬇

Price competition exacerbated in May/June this year

BUT

Recent developments indicate the situation has improved

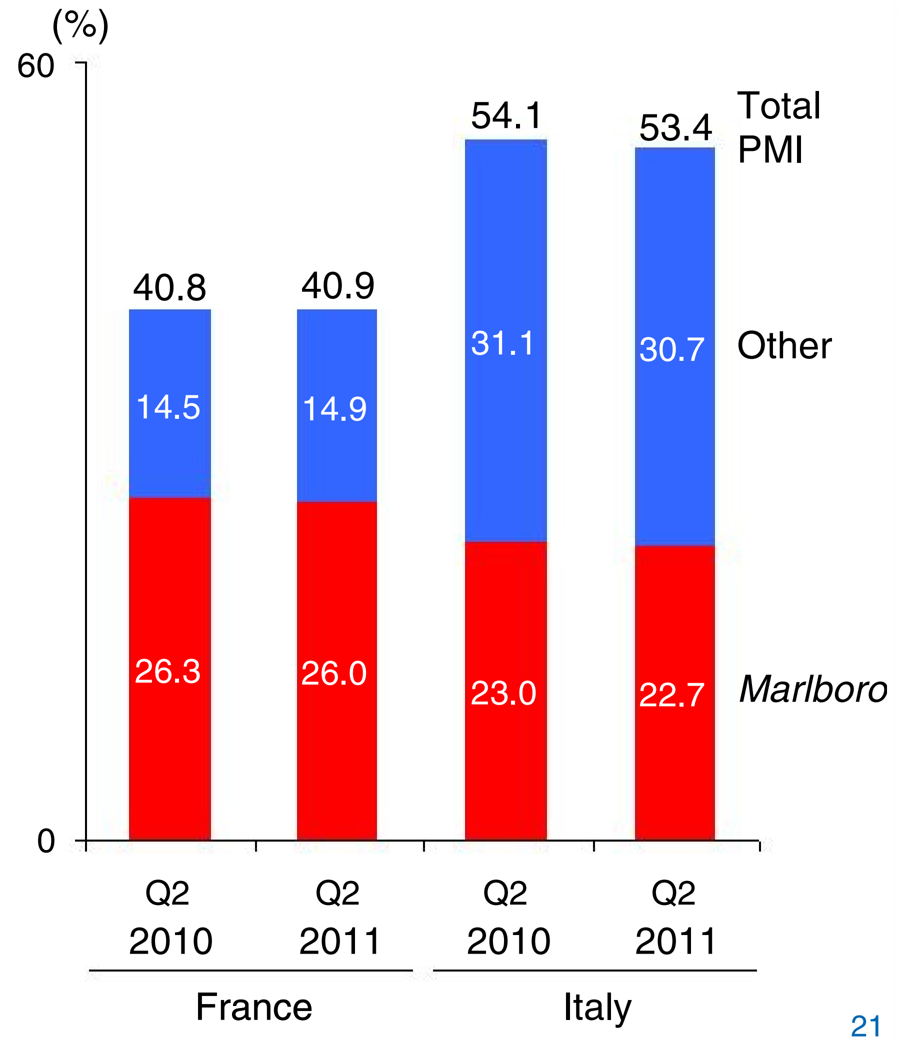


Source: PMI estimates

France and Italy

- Industry cigarette volume up 1.8% in France and stable in Italy during Q2, 2011
- Following entry of *Marlboro*, PMI became market leader in fine cut in France in Q2 with a share of 25.0%, up 5.6pp
- High single digit profitability increases in both markets
- PMI has announced a price increase of €0.10/pack in Italy

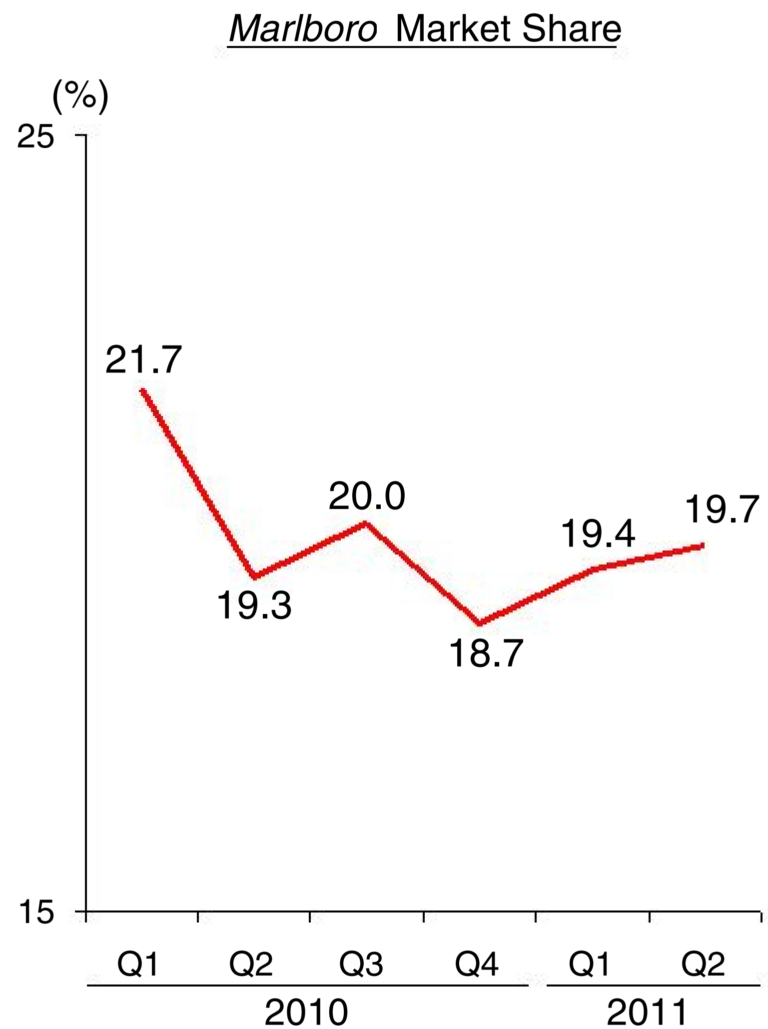
PMI Market Shares



Source: PMI estimates

Greece

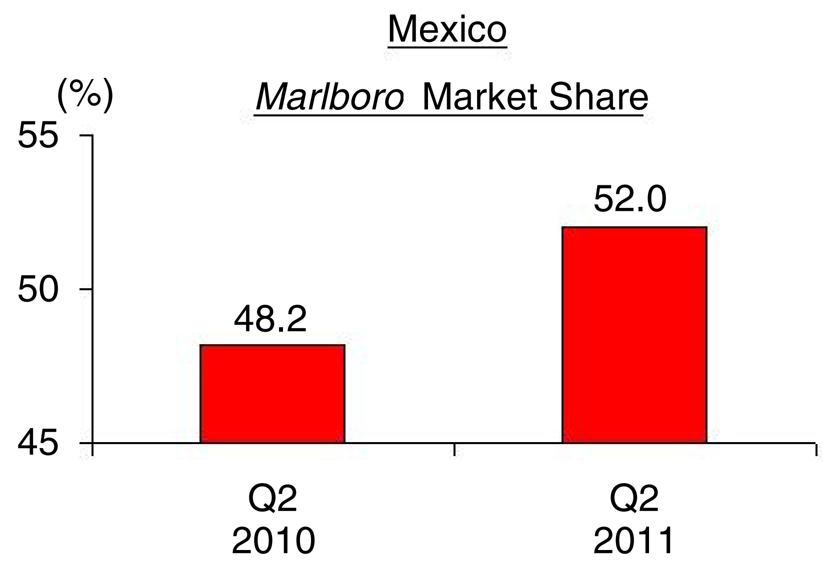
- Government has increased Minimum Excise Tax from 75% to 100% of excise tax on “WAP” (Weighted Average Price)
- Tax pass-on at bottom of the market (€2.40/20) is almost €0.50/20
- PMI has announced price increase on *L&M* 25s from €3.20 to €3.70 per pack
- Price gap reduction should help spur *Marlboro* share recovery

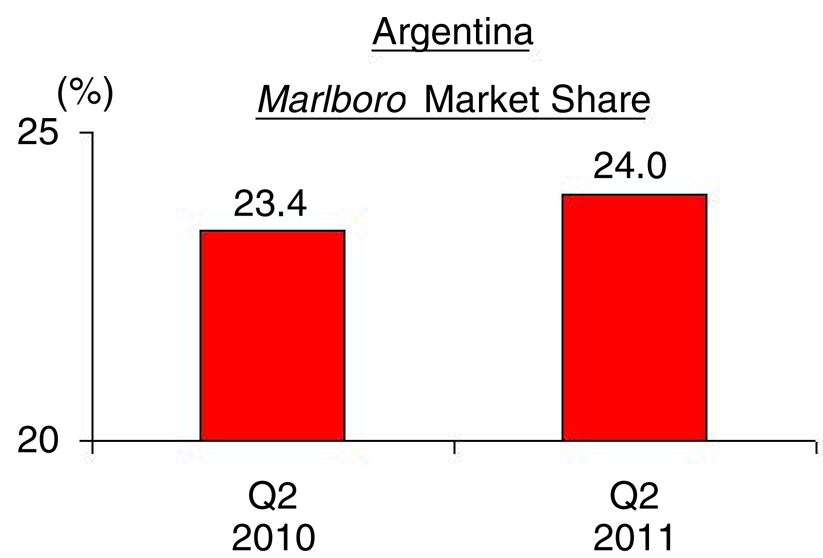


Source: Greek Ministry of Finance and PMI estimates

Latin America & Canada Region

- Regional volume down 4.8%, driven by impact of tax-driven price increases in Mexico and timing of shipments in Brazil
- Strong *Marlboro* performance
- Regional net revenues grew by 5.8% and adjusted OCI was up 8.8%, both excluding currency and acquisitions





Source: PMI Financials and PMI estimates

Australia - Plain Packaging

PHILIP MORRIS INTERNATIONAL

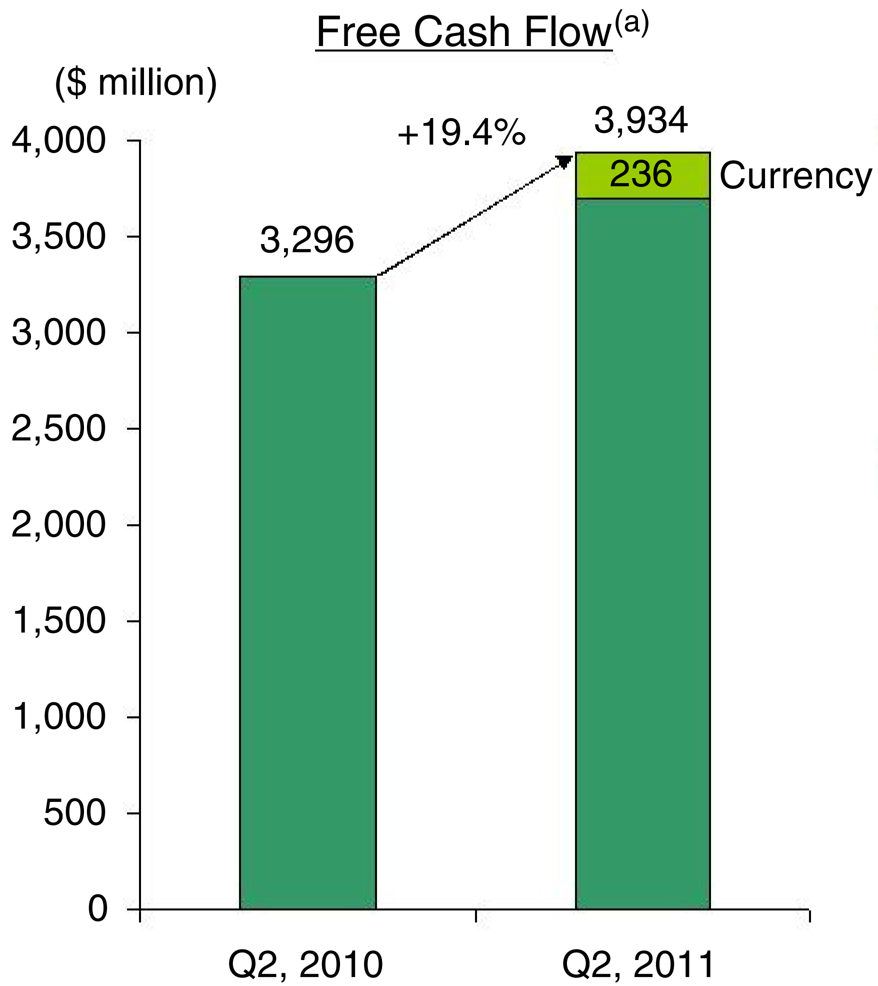
- Australian Government appears intent on mandating the implementation of plain packaging
- Plain packaging will result in the illegal confiscation of our very valuable trademarks and branded assets
- PMI has served notice of its intention to file an arbitration claim for compensation under the Hong Kong – Australia Bilateral Investment Treaty

Adjusted OCI Margins

	Second-Quarter		
	2011[a]	2010	Variance[a]
EU	48.9 %	48.1 %	0.8 pp
EEMA	42.1	41.6	0.5
Asia	46.2	39.8	6.4
LA&C	32.5	31.6	0.9
Total	**44.6**	**42.1**	**2.5**

(a) Excluding currency and acquisitions
Source: PMI Financials

Free Cash Flow



- Quarterly increase of $402 million, or 12.2%, excluding currency
- Driven mainly by our excellent business results
- For the first half, free cash flow is up more than $1 billion to nearly $6.2 billion

(a) Free cash flow equals net cash provided by operating activities less capital expenditures
Source: PMI Financials

Share Repurchases

- During the second quarter, PMI spent $1.5 billion to purchase a further 22.7 million shares at an average price of $68.32 per share
- Since the March 2008 spin, 17.9% of shares outstanding at that time have been repurchased

Source: PMI Financials

Summary

- Very strong second-quarter results
- Adjusted diluted EPS growth of 21.0%, excluding currency
- Outlook is promising, with strong market share and business momentum
- Pricing remains the key driver of profitability, with Spain a special case
- Very limited input cost pressures and we expect to exceed our $250 million annual productivity target
- 2011 reported diluted EPS guidance raised by another 15 cents to a range of $4.70-$4.80
- We continue to use our growing cash flow to generously reward our shareholders

Source: PMI Financials

2011 Second-Quarter Results

Questions & Answers

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries
Reconciliation of Non-GAAP Measures

Adjustments for the Impact of Currency and Acquisitions
For the Quarters Ended June 30,
($ in millions)
(Unaudited)

2011								2010			% 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 Acquisi-tions	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
$ 8,080	$ 5,583	$ 2,497	$ 187	$ 2,310	$ -	$ 2,310	European Union	$ 7,260	$ 4,965	$ 2,295	8.8%	0.7%	0.7%
4,603	2,591	2,012	55	1,957	-	1,957	EEMA	4,125	2,236	1,889	6.5%	3.6%	3.6%
5,146	2,210	2,936	222	2,714	3	2,711	Asia	3,903	1,780	2,123	38.3%	27.8%	27.7%
2,405	1,577	828	30	798	-	798	Latin America & Canada	2,095	1,341	754	9.8%	5.8%	5.8%
$ 20,234	**$ 11,961**	**$ 8,273**	**$ 494**	**$ 7,779**	**$ 3**	**$ 7,776**	**PMI Total**	**$ 17,383**	**$ 10,322**	**$ 7,061**	**17.2%**	**10.2%**	**10.1%**

2011						2010	% Change in Reported Operating Companies Income		
Reported Operating Companies Income	Less Currency	Reported Operating Companies Income excluding Currency	Less Acquisi-tions	Reported Operating Companies Income excluding Currency & Acquisitions		Reported Operating Companies Income	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions
$ 1,280	$ 152	$ 1,128	$ (1)	$ 1,129	European Union	$ 1,105	15.8%	2.1%	2.2%
835	11	824	-	824	EEMA	786	6.2%	4.8%	4.8%
1,398	145	1,253	1	1,252	Asia	845	65.4%	48.3%	48.2%
268	9	259	-	259	Latin America & Canada	238	12.6%	8.8%	8.8%
$ 3,781	**$ 317**	**$ 3,464**	**$ -**	**$ 3,464**	**PMI Total**	**$ 2,974**	**27.1%**	**16.5%**	**16.5%**

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries
Reconciliation of Non-GAAP Measures

PHILIP MORRIS INTERNATIONAL

Reconciliation of Reported Operating Companies Income to Adjusted Operating Companies Income &
Reconciliation of Adjusted Operating Companies Income Margin, excluding Currency and Acquisitions
For the Quarters Ended June 30,
($ in millions)
(Unaudited)

2011								2010			% Change in Adjusted Operating Companies Income		
Reported Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisi-tions	Adjusted Operating Companies Income excluding Currency & Acquisitions		Reported Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions
$ 1,280	$ (1)	$ 1,281	$ 152	$ 1,129	$ (1)	$ 1,130	European Union	$ 1,105	$ -	$ 1,105	15.9%	2.2%	2.3%
835	-	835	11	824	-	824	EEMA	786	-	786	6.2%	4.8%	4.8%
1,398	-	1,398	145	1,253	1	1,252	Asia	845	-	845	65.4%	48.3%	48.2%
268	-	268	9	259	-	259	Latin America & Canada	238	-	238	12.6%	8.8%	8.8%
$ 3,781	**$ (1)**	**$ 3,782**	**$ 317**	**$ 3,465**	**$ -**	**$ 3,465**	**PMI Total**	**$ 2,974**	**$ -**	**$ 2,974**	**27.2%**	**16.5%**	**16.5%**

2011							2010			% Points Change	
Adjusted Operating Companies Income excluding Currency	Net Revenues excluding Excise Taxes & Currency[(a)]	Adjusted Operating Companies Income Margin excluding Currency	Adjusted Operating Companies Income excluding Currency & Acquisitions	Net Revenues excluding Excise Taxes, Currency & Acquisitions [(a)]	Adjusted Operating Companies Income Margin excluding Currency & Acquisitions		Adjusted Operating Companies Income	Net Revenues excluding Excise Taxes[(a)]	Adjusted Operating Companies Income Margin	Adjusted Operating Companies Income Margin excluding Currency	Adjusted Operating Companies Income Margin excluding Currency & Acquisitions
$ 1,129	$ 2,310	48.9%	$ 1,130	$ 2,310	48.9%	European Union	$ 1,105	$ 2,295	48.1%	0.8	0.8
824	1,957	42.1%	824	1,957	42.1%	EEMA	786	1,889	41.6%	0.5	0.5
1,253	2,714	46.2%	1,252	2,711	46.2%	Asia	845	2,123	39.8%	6.4	6.4
259	798	32.5%	259	798	32.5%	Latin America & Canada	238	754	31.6%	0.9	0.9
$ 3,465	**$ 7,779**	**44.5%**	**$ 3,465**	**$ 7,776**	**44.6%**	**PMI Total**	**$ 2,974**	**$ 7,061**	**42.1%**	**2.4**	**2.5**

(a) For the calculation of net revenues excluding excise taxes, currency and acquisitions, refer to previous slide

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries
Reconciliation of Non-GAAP Measures

PHILIP MORRIS INTERNATIONAL

Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS and Adjusted Diluted EPS, excluding Currency
For the Quarters Ended June 30,
(Unaudited)

	2011		2010		% Change
Reported Diluted EPS	**$**	**1.35**	**$**	**1.07**	**26.2%**
Adjustments:					
Asset impairment and exit costs		-		-	
Tax items		(0.01)		(0.07)	
Adjusted Diluted EPS	**$**	**1.34**	**$**	**1.00**	**34.0%**
Less:					
Currency impact		0.13			
Adjusted Diluted EPS, excluding Currency	**$**	**1.21**	**$**	**1.00**	**21.0%**

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries
Reconciliation of Non-GAAP Measures

PHILIP MORRIS INTERNATIONAL

Reconciliation of Operating Cash Flow to Free Cash Flow and Free Cash Flow, excluding Currency
For the Quarters and Six Months Ended June 30,
($ in millions)
(Unaudited)

	For the Quarters Ended June 30, 2011	For the Quarters Ended June 30, 2010	% Change	For the Six Months Ended June 30, 2011	For the Six Months Ended June 30, 2010	% Change
Net cash provided by operating activities [(a)]	**$ 4,120**	**$ 3,465**	**18.9%**	**$ 6,515**	**$ 5,439**	**19.8%**
Less:						
Capital expenditures	186	169		345	319	
Free cash flow	**$ 3,934**	**$ 3,296**	**19.4%**	**$ 6,170**	**$ 5,120**	**20.5%**
Less:						
Currency impact	236			264		
Free cash flow, excluding currency	**$ 3,698**	**$ 3,296**	**12.2%**	**$ 5,906**	**$ 5,120**	**15.4%**

(a) Operating Cash Flow

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries
Reconciliation of Non-GAAP Measures

Adjustments for the Impact of Currency and Acquisitions
For the Six Months Ended June 30,
($ in millions)
(Unaudited)

2011								2010			% 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
$ 14,495	$ 9,997	$ 4,498	$ 81	$ 4,417	$ -	$ 4,417	European Union	$ 14,008	$ 9,529	$ 4,479	0.4%	(1.4)%	(1.4)%
8,274	4,575	3,699	26	3,673	-	3,673	EEMA	7,481	3,846	3,635	1.8%	1.0%	1.0%
9,434	4,175	5,259	350	4,909	108 (a)	4,801	Asia	7,465	3,469	3,996	31.6%	22.8%	20.1%
4,561	2,953	1,608	54	1,554	-	1,554	Latin America & Canada	4,016	2,569	1,447	11.1%	7.4%	7.4%
$ 36,764	**$ 21,700**	**$ 15,064**	**$ 511**	**$ 14,553**	**$ 108**	**$ 14,445**	**PMI Total**	**$ 32,970**	**$ 19,413**	**$ 13,557**	**11.1%**	**7.3%**	**6.6%**

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		Reported Operating Companies Income	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions
$ 2,286	$ 131	$ 2,155	$ (1)	$ 2,156	European Union	$ 2,167	5.5%	(0.6)%	(0.5)%
1,557	(1)	1,558	-	1,558	EEMA	1,556	0.1%	0.1%	0.1%
2,491	247	2,244	24 (b)	2,220	Asia	1,569	58.8%	43.0%	41.5%
519	10	509	-	509	Latin America & Canada	455	14.1%	11.9%	11.9%
$ 6,853	**$ 387**	**$ 6,466**	**$ 23**	**$ 6,443**	**PMI Total**	**$ 5,747**	**19.2%**	**12.5%**	**12.1%**

(a) Includes the business combination in the Philippines ($105)
(b) Includes the business combination in the Philippines ($23)

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries
Reconciliation of Non-GAAP Measures

Reconciliation of Reported Operating Companies Income to Adjusted Operating Companies Income &
Reconciliation of Adjusted Operating Companies Income Margin, excluding Currency and Acquisitions
For the Six Months Ended June 30,
($ in millions)
(Unaudited)

2011 Reported Operating Companies Income	2011 Less Asset Impairment & Exit Costs	2011 Adjusted Operating Companies Income	2011 Less Currency	2011 Adjusted Operating Companies Income excluding Currency	2011 Less Acquisitions	2011 Adjusted Operating Companies Income excluding Currency & Acquisitions		2010 Reported Operating Companies Income	2010 Less Asset Impairment & Exit Costs	2010 Adjusted Operating Companies Income	% Change in Adjusted Operating Companies Income: Adjusted	% Change: Adjusted excluding Currency	% Change: Adjusted excluding Currency & Acquisitions
$ 2,286	$ (12)	$ 2,298	$ 131	$ 2,167	$ (1)	$ 2,168	European Union	$ 2,167	$ -	$ 2,167	6.0%	- %	- %
1,557	(2)	1,559	(1)	1,560	-	1,560	EEMA	1,556	-	1,556	0.2%	0.3%	0.3%
2,491	(2)	2,493	247	2,246	24 [a]	2,222	Asia	1,569	-	1,569	58.9%	43.1%	41.6%
519	(1)	520	10	510	-	510	Latin America & Canada	455	-	455	14.3%	12.1%	12.1%
$ 6,853	**$ (17)**	**$ 6,870**	**$ 387**	**$ 6,483**	**$ 23**	**$ 6,460**	**PMI Total**	**$ 5,747**	**$ -**	**$ 5,747**	**19.5%**	**12.8%**	**12.4%**

2011 Adjusted Operating Companies Income excluding Currency	2011 Net Revenues excluding Excise Taxes & Currency[b]	2011 Adjusted Operating Companies Income Margin excluding Currency	2011 Adjusted Operating Companies Income excluding Currency & Acquisitions	2011 Net Revenues excluding Excise Taxes, Currency & Acquisitions[b]	2011 Adjusted Operating Companies Income Margin excluding Currency & Acquisitions		2010 Adjusted Operating Companies Income	2010 Net Revenues excluding Excise Taxes[b]	2010 Adjusted Operating Companies Income Margin	% Points Change: Adjusted Operating Companies Income Margin excluding Currency	% Points Change: Adjusted Operating Companies Income Margin excluding Currency & Acquisitions
$ 2,167	$ 4,417	49.1%	$ 2,168	$ 4,417	49.1%	European Union	$ 2,167	$ 4,479	48.4%	0.7	0.7
1,560	3,673	42.5%	1,560	3,673	42.5%	EEMA	1,556	3,635	42.8%	(0.3)	(0.3)
2,246	4,909	45.8%	2,222	4,801	46.3%	Asia	1,569	3,996	39.3%	6.5	7.0
510	1,554	32.8%	510	1,554	32.8%	Latin America & Canada	455	1,447	31.4%	1.4	1.4
$ 6,483	**$ 14,553**	**44.5%**	**$ 6,460**	**$ 14,445**	**44.7%**	**PMI Total**	**$ 5,747**	**$ 13,557**	**42.4%**	**2.1**	**2.3**

(a) Includes the business combination in the Philippines ($23)
(b) For the calculation of net revenues excluding excise taxes, currency and acquisitions, refer to previous slide

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries
Reconciliation of Non-GAAP Measures

PHILIP MORRIS INTERNATIONAL

Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS
For the Year Ended December 31,
(Unaudited)

		2010
Reported Diluted EPS	$	3.92
Adjustments:		
Tax items		(0.07)
Asset impairment and exit costs		0.02
Adjusted Diluted EPS	$	3.87

PHILIP MORRIS INTERNATIONAL

2011 Second-Quarter Results

July 21, 2011