Subject: ACCEPTED FORM TYPE 8-K (0001193125-12-306923)
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THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: Philip Morris International Inc.
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1. 001-33708

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PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REGISTRANT(S):

1. CIK: 0001413329
COMPANY: Philip Morris International Inc.
FORM TYPE: 8-K
FILE NUMBER(S):
1. 001-33708

ITEM(S):

1. 2.02
2. 9.01

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 19, 2012

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 19, 2012, Philip Morris International Inc. (the "Company") issued a press release announcing its financial results for the quarter ended June 30, 2012 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 19, 2012 (furnished pursuant to Item 2.02)

99.2 Conference Call Transcript dated July 19, 2012 (furnished pursuant to Item 2.02)

99.3 Webcast Slides dated July 19, 2012 (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 19, 2012

EXHIBIT INDEX

Exhibit No.	Description
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99.3	Webcast Slides dated July 19, 2012 (furnished pursuant to Item 2.02)

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 2012 SECOND-QUARTER RESULTS; REAFFIRMS 2012 FULL-YEAR REPORTED DILUTED EPS

Second-Quarter 2012

- Reported diluted earnings per share of $1.36, up by 0.7%, or by 8.1% excluding currency, versus $1.35 in 2011, as detailed in the attached Schedule 13
- Excluding currency and the 2011 earnings per share hurdle of $0.10 related to Japan, reported diluted EPS up by 16.8%
- Adjusted diluted earnings per share of $1.36, up by 1.5%, or by 9.0% excluding currency, versus $1.34 in 2011, as detailed in the attached Schedule 12
- Excluding currency and the aforementioned Japan hurdle of $0.10, adjusted diluted EPS up by 17.7%
- Cigarette shipment volume down by 1.2%, excluding acquisitions
- Cigarette shipment volume up by 1.4% excluding acquisitions and the 6.3 billion units associated with the 2011 Japan hurdle
- Reported net revenues, excluding excise taxes, down by 1.8% to $8.1 billion, or up by 2.9% excluding currency and acquisitions
- Reported operating companies income down by 2.7% to $3.7 billion, or up by 3.4% excluding currency and acquisitions
- Adjusted operating companies income, which reflects the items detailed in the attached Schedule 11, down by 2.5% to $3.7 billion, or up by 3.5% excluding currency and acquisitions
- Operating income down by 2.9% to $3.6 billion
- Repurchased 17.8 million shares of its common stock for $1.5 billion
- Announced, during the quarter, a new three-year share repurchase program of $18 billion expected to commence August 1, 2012
- Reaffirms, at prevailing exchange rates, its 2012 full-year reported diluted earnings per share forecast to be in a range of $5.10 to $5.20, versus $4.85 in 2011.

June Year-to-Date

- Reported diluted earnings per share of $2.60, up by 7.4%, or by 12.4% excluding currency, versus $2.42 in 2011, as detailed in the attached Schedule 17
- Excluding currency and the 2011 earnings per share hurdle of $0.10 related to Japan, reported diluted EPS up by 17.2%
- Adjusted diluted earnings per share of $2.61, up by 8.3%, or by 13.3% excluding currency, versus $2.41 in 2011, as detailed in the attached Schedule 16
- Excluding currency and the aforementioned Japan hurdle of $0.10, adjusted diluted EPS up by 18.2%
- Cigarette shipment volume up by 1.8%, excluding acquisitions

- Cigarette shipment volume up by 3.3% excluding acquisitions and the 6.3 billion units associated with the 2011 Japan hurdle
- Reported net revenues, excluding excise taxes, up by 3.3% to $15.6 billion, or by 6.5% excluding currency and acquisitions
- Reported operating companies income up by 4.5% to $7.2 billion, or by 8.3% excluding currency and acquisitions
- Adjusted operating companies income, which reflects the items detailed in the attached Schedule 15, up by 4.5% to $7.2 billion, or by 8.3% excluding currency and acquisitions
- Operating income up by 4.3% to $7.0 billion

NEW YORK, July 19, 2012 – Philip Morris International Inc. (NYSE / Euronext Paris: PM) today announced its 2012 second-quarter results.

"Despite the anticipated Japan hurdle and currency headwinds, we had a solid second quarter which underscored our sustained business momentum," said Louis C. Camilleri, Chairman of the Board and Chief Executive Officer.

"Excluding the Japan hurdle, our year-to-date organic cigarette volume grew by an exceptional 3.3%. On the same basis, our currency neutral, reported and adjusted diluted earnings per share were up by a very robust 17.2% and 18.2%, respectively."

"Our broad geographic footprint, world-class brand portfolio and a strong pricing environment remain the cornerstone of our continuing ability to capitalize on growth opportunities around the world, whilst enabling us to weather uncertainty in those markets where economic conditions are still currently weak."

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 19, 2012. Access is available at www.pmi.com.

Dividends and Share Repurchase Program

During the second quarter, PMI spent $1.5 billion to repurchase 17.8 million shares, as shown in the table below.

Current $12 Billion, Three-Year Program

	Value ($ Mio.)	Shares 000
May-December 2010	2,953	55,933
January-December 2011	5,400	80,514
January-March 2012	1,500	18,057
April-June 2012	1,535	17,774
Total Under Program	**11,388**	**172,278**

Since May 2008, when PMI began its first share repurchase program, the company has spent an aggregate of $24.4 billion to repurchase 449.9 million shares at an average price of $54.21 per share, or 21.3% of the shares outstanding at the time of the spin-off in March 2008.

During the quarter, PMI announced a new three-year share repurchase program of $18 billion, anticipated to commence on August 1, 2012, following completion of the existing three-year program of $12 billion which began in May 2010, and which will conclude ahead of schedule.

PMI has a share repurchase target for 2012 of $6.0 billion.

2012 Full-Year Forecast

PMI reaffirms, at prevailing exchange rates, its 2012 full-year reported diluted earnings per share forecast to be in a range of $5.10 to $5.20, versus $4.85 in 2011. Forecasted total unfavorable currency of approximately $0.27 per share for the full-year 2012 is up by an additional $0.02 per share compared to the unfavorable currency forecast previously announced on June 21, 2012. This additional forecasted unfavorable currency of $0.02 per share is expected to be fully offset by an anticipated improvement in business performance driven largely by Asia and EEMA. On a currency neutral basis, reported diluted earnings per share in 2012 are projected to increase by approximately 10% to 12% versus adjusted diluted earnings per share of $4.88 in 2011.

This guidance excludes the impact of any potential future acquisitions, unanticipated 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.

2012 SECOND-QUARTER CONSOLIDATED RESULTS

In this press release, "PMI" refers to Philip Morris International Inc. and its subsidiaries. The term "net revenues" refers to operating revenues from the sale of our products, excluding excise taxes and net of sales and promotion incentives. Operating Companies Income, or "OCI", is defined as operating income before general corporate expenses and the amortization of intangibles. PMI's management evaluates business segment performance and allocates resources based on OCI. Management also reviews OCI, operating margins and Earnings Per Share, or "EPS", on an adjusted basis (which may exclude the impact of currency and other items such as acquisitions, asset impairment and exit costs and discrete tax items), Earnings Before Interest, Taxes, Depreciation, and Amortization, or "EBITDA", free cash flow, defined as net cash provided by operating activities less capital expenditures, and net debt. References to total international cigarette market, defined as worldwide cigarette volume excluding the United States, total cigarette market, total market and market shares are PMI estimates based on the latest available data from a number of internal and external sources and may, in defined instances, exclude the People's Republic of China and/or PMI's duty-free business. Comparisons are to the same prior-year period unless otherwise stated. For a reconciliation of non-GAAP measures to corresponding GAAP measures, see the relevant schedules provided with this release.

NET REVENUES

PMI Net Revenues ($ Millions)

	Second-Quarter				Six Months Year-To-Date			
	2012	2011	Change	Excl. Curr.	2012	2011	Change	Excl. Curr.
European Union	$2,285	$2,497	(8.5)%	(0.7)%	$ 4,338	$ 4,498	(3.6)%	2.0%
Eastern Europe, Middle East & Africa	2,151	2,012	6.9%	13.2%	3,986	3,699	7.8%	13.2%
Asia	2,855	2,936	(2.8)%	(1.8)%	5,632	5,259	7.1%	6.2%
Latin America & Canada	829	828	0.1%	6.3%	1,612	1,608	0.2%	5.8%
Total PMI	**$8,120**	**$8,273**	**(1.8)%**	**3.0%**	**$15,568**	**$15,064**	**3.3%**	**6.6%**

Net revenues of $8.1 billion were down by 1.8%, including unfavorable currency of $402 million. Excluding currency, net revenues increased by 3.0%, driven by favorable pricing of $463 million, partly offset by unfavorable volume/mix of $225 million. Excluding currency and acquisitions, net revenues increased by 2.9%, despite the challenging comparison to the second quarter of 2011 which included additional PMI shipments to Japan of 6.3 billion units, driven by the disruption of PMI's principal competitor's supply chain following the tragic events of March of that year.

OPERATING COMPANIES INCOME

PMI Operating Companies Income ($ Millions)

	Second-Quarter				Six Months Year-To-Date			
	2012	2011	Change	Excl. Curr.	2012	2011	Change	Excl. Curr.
European Union	$1,117	$1,280	(12.7)%	(2.6)%	$2,147	$2,286	(6.1)%	0.7%
Eastern Europe, Middle East & Africa	948	835	13.5%	23.1%	1,758	1,557	12.9%	20.9%
Asia	1,364	1,398	(2.4)%	(2.6)%	2,771	2,491	11.2%	9.0%
Latin America & Canada	249	268	(7.1)%	2.2%	486	519	(6.4)%	1.7%
Total PMI	**$3,678**	**$3,781**	**(2.7)%**	**3.4%**	**$7,162**	**$6,853**	**4.5%**	**8.4%**

Reported operating companies income was down by 2.7% to $3.7 billion, including unfavorable currency of $232 million. Excluding currency, operating companies income was up by 3.4%, driven by higher pricing, partly offset by unfavorable volume/mix of $245 million, higher manufacturing costs and increased investments behind the new *Marlboro* advertising campaign, notably in Germany and Switzerland, new brand launches, notably *Marlboro Edge* in Japan and *Marlboro ClearTaste* in Russia, business infrastructure in Russia and anti-illicit trade investments, including organizational infrastructure and the recently announced agreement with Interpol. Adjusted operating companies income declined by 2.5% as shown in the table below and detailed on Schedule 11. Adjusted operating companies income, excluding currency and acquisitions, increased by 3.5%.

PMI Operating Companies Income ($ Millions)

	Second-Quarter			Six Months Year-To-Date		
	2012	2011	Change	2012	2011	Change
Reported OCI	$3,678	$3,781	(2.7)%	$7,162	$6,853	4.5%
Asset impairment & exit costs	(8)	(1)		(16)	(17)	
Adjusted OCI	**$3,686**	**$3,782**	**(2.5)%**	**$7,178**	**$6,870**	**4.5%**
Adjusted OCI Margin*	45.4%	45.7%	(0.3) p.p.	46.1%	45.6%	0.5 p.p.

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

Adjusted operating companies income margin, excluding the impact of currency and acquisitions, was up by 0.3 percentage points to 46.0% during the quarter, as detailed on Schedule 11.

SHIPMENT VOLUME & MARKET SHARE

PMI Cigarette Shipment Volume by Segment (Million Units)

	Second-Quarter			Six Months Year-To-Date		
	2012	2011	Change	2012	2011	Change
European Union	51,804	57,193	(9.4)%	99,593	105,715	(5.8)%
Eastern Europe, Middle East & Africa	79,156	75,336	5.1%	145,084	138,979	4.4%
Asia	83,472	84,042	(0.7)%	164,502	156,134	5.4%
Latin America & Canada	23,864	24,606	(3.0)%	48,207	48,269	(0.1)%
Total PMI	**238,296**	**241,177**	**(1.2)%**	**457,386**	**449,097**	**1.8%**

PMI's cigarette shipment volume was down by 1.2%, excluding acquisitions. Excluding acquisitions, and the Japan hurdle of 6.3 billion units which is related to additional volume shipped in the second quarter of 2011 following the disruption of PMI's principal competitor's supply chain, PMI's cigarette shipment volume grew by 1.4%. PMI's June year-to-date cigarette shipment volume was up by 1.8%, excluding acquisitions. Excluding acquisitions and the Japan hurdle, PMI's June year-to-date cigarette shipment volume was up by a strong 3.3%.

In the EU, PMI's total cigarette shipment volume decreased by 9.4% in the quarter, predominantly due to a lower total market, particularly in southern Europe. PMI's June year-to-date cigarette shipment volume was down by 5.8%. In EEMA, PMI's total cigarette shipment volume grew by 5.1% in the quarter, driven mainly by a higher total market and share in Turkey and a higher share in Russia, partly offset by a lower total market in Egypt due primarily to a high incidence of illicit trade. PMI's June year-to-date cigarette shipment volume was up by 4.2%, excluding acquisitions. In Asia, PMI's total cigarette shipment volume decreased by 0.7% in the quarter, due to an unfavorable comparison related to the Japan hurdle and a lower total market and share in the Philippines, largely offset by a higher total market and share in Indonesia, Thailand and Vietnam. PMI's June year-to-date cigarette shipment volume was up by 5.4%. Excluding the aforementioned Japan hurdle, PMI's cigarette shipment volume in Asia in the second quarter and June year-to-date was up by 7.4% and 9.8%, respectively. In Latin America & Canada, PMI's total cigarette shipment volume decreased by 3.0% in the quarter, mainly due to a lower total market, and the unfavorable impact of trade inventory movements, in Mexico. This decline was partly offset by growth in Brazil, reflecting a favorable comparison with the second quarter of 2011 which was negatively impacted by higher trade purchases in the first quarter of 2011 ahead of retail price increases in early April 2011. PMI's June year-to-date cigarette shipment volume was essentially flat.

Total cigarette shipment volume of *Marlboro* of 76.9 billion units was down by 1.5% in the quarter. Excluding the aforementioned Japan hurdle, total cigarette shipment volume of *Marlboro* was up by 0.8%, reflecting growth across EEMA of 5.0%, notably in North Africa, Saudi Arabia and Serbia, partly offset by a 6.7% decline in the EU, notably in France, Italy and Spain, and a 2.3% decline in Latin America & Canada, primarily in Mexico, partly offset by growth in Brazil. Total June year-to-date cigarette shipment volume of *Marlboro* was up by 1.7%, or by 2.9% excluding the aforementioned Japan hurdle.

Total cigarette shipment volume of *L&M* of 23.6 billion units was down by 1.0% in the quarter, reflecting a decline in the EU, notably in Greece and Spain, partially offset by growth in: EEMA, notably in Russia and Turkey, partly offset by a decline in Egypt; in Asia, mainly Thailand; and in Latin America & Canada. Total June year-to-date cigarette shipment volume of *L&M* was up by 1.5%.

Total cigarette shipment volume of *Bond Street* of 12.7 billion units increased by 6.1% in the quarter, led mainly by growth in Kazakhstan and Ukraine, partly offset by a decline in Hungary. Total June year-to-date cigarette shipment volume of *Bond Street* was up by 5.6%.

Total cigarette shipment volume of *Parliament* of 11.1 billion units was up by 7.1%, fueled by double-digit growth across EEMA, notably in Russia and Turkey. Total June year-to-date cigarette shipment volume of *Parliament* was up by 8.6%. Excluding the aforementioned Japan hurdle, total cigarette shipment volume of *Parliament* increased by 10.5% in both the quarter and June year-to-date.

Total cigarette shipment volume of *Philip Morris* of 9.6 billion units decreased by 7.6% in the quarter, mainly reflecting a decline in Japan and the Philippines, partly offset by growth in Argentina. Total June year-to-date cigarette shipment volume of *Philip Morris* was down by 3.4%. Excluding the aforementioned Japan hurdle, total cigarette shipment volume of *Philip Morris* declined by 1.0% in the quarter and was up marginally by 0.1% June year-to-date.

Total cigarette shipment volume of *Chesterfield* of 9.6 billion units was down by 2.3%, due to a decline in EEMA, mainly in Ukraine, partially offset by growth in the EU, primarily in Poland. Total June year-to-date cigarette shipment volume of *Chesterfield* was down marginally by 0.2%.

Total cigarette shipment volume of *Lark* of 8.6 billion units decreased by 15.3% in the quarter and by 3.4% June year-to-date. Excluding the aforementioned Japan hurdle, total shipment volume of *Lark* increased by 14.1% and 14.6% in the quarter and June year-to-date, respectively.

Total shipment volume of other tobacco products (OTP), in cigarette equivalent units, grew by 11.8% in the quarter, notably in Belgium, Italy and Spain, and by 13.4%, excluding acquisitions, June year-to-date.

Total shipment volume for cigarettes and OTP combined was down by 0.9% and up by 2.1%, excluding acquisitions, for the quarter and June year-to-date, respectively. Total shipment volume for cigarettes and OTP combined was up by 1.7% and 3.5%, excluding acquisitions and the aforementioned Japan hurdle, for the quarter and June year-to-date, respectively.

PMI's June year-to-date market share performance was stable, or registered growth, in a number of key markets, including Argentina, Australia, Austria, Belgium, Germany, Indonesia, Kazakhstan, Korea, Mexico, Poland, Russia, Thailand, Turkey, the United Kingdom and Ukraine.

EUROPEAN UNION REGION (EU)

In the EU, net revenues decreased by 8.5% to $2.3 billion in the quarter, including unfavorable currency of $195 million. Excluding currency, net revenues decreased by 0.7%, mainly reflecting unfavorable volume/mix of $186 million, predominantly due to lower total markets across the Region, particularly in southern Europe. The decrease was partly offset by favorable pricing of $169 million, driven by France, Germany, Italy, the Netherlands, Poland, Spain and Switzerland. June year-to-date, net revenues, excluding currency, were up by 2.0%, driven by higher pricing of $275 million, partially offset by unfavorable volume/mix of $186 million.

Operating companies income decreased by 12.7% to $1.1 billion in the quarter, including unfavorable currency of $130 million. Excluding the unfavorable impact of currency, operating companies income decreased by 2.6%, as higher pricing was more than offset by: an unfavorable volume/mix of $159 million; higher manufacturing costs, mainly related to the mandated implementation of reduced cigarette ignition propensity standards which began in the fourth quarter of 2011; and higher marketing costs, principally reflecting marketing investment behind *Marlboro* in Germany and Switzerland. June year-to-date, operating companies income, excluding currency, was up by 0.7%.

Adjusted operating companies income decreased by 12.8% in the quarter, as shown in the table below and detailed on Schedule 11. Adjusted operating companies income, excluding currency, decreased by 2.7% in the quarter and was up by 0.2% June year-to-date.

EU Operating Companies Income ($ Millions)

	Second-Quarter			Six Months Year-To-Date		
	2012	2011	Change	2012	2011	Change
Reported OCI	$1,117	$1,280	(12.7)%	$2,147	$2,286	(6.1)%
Asset impairment & exit costs	0	(1)		0	(12)	
Adjusted OCI	**$1,117**	**$1,281**	**(12.8)%**	**$2,147**	**$2,298**	**(6.6)%**
Adjusted OCI Margin*	48.9%	51.3%	(2.4) p.p.	49.5%	51.1%	(1.6) 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 was down by 1.0 percentage point to 50.3% in the quarter, as detailed on Schedule 11, or by 0.9 points to 50.2% June year-to-date, as detailed on Schedule 15, primarily as a result of the aforementioned higher costs.

The total cigarette market in the EU declined by 9.7% to 132.2 billion units in the quarter, due primarily to: tax-driven price increases; the unfavorable economic environment, particularly in southern Europe, and the impact of related austerity measures; the growth of the OTP segment, notably in Greece, Italy and Spain; the prevalence of illicit trade, mainly in Greece, Italy and Poland; and the timing of Easter trade inventory movements. June year-to-date, the total cigarette market in the EU declined by 5.8% to 258.2 billion units.

PMI's cigarette shipment volume in the EU declined by 9.4% in the quarter, due principally to a lower total market across the Region. PMI's June year-to-date cigarette shipment volume in the EU declined by 5.8%. Shipment volume of *Marlboro* in the quarter decreased by 6.7%, mainly due to lower total markets, partially offset by higher share, notably in Germany, Greece, Hungary and Poland. Shipment volume of *Marlboro* June year-to-date was down by 4.6%. Shipment volume of *L&M* was down by 7.5% in the quarter, or down by 2.0% June year-to-date, mainly reflecting lower share, notably in southern Europe. Shipment volume of *Chesterfield* was up by 3.5% in the quarter, or by 7.3% June year-to-date, driven by higher share across northern Europe, the Baltics, Poland, Portugal and Spain.

PMI's market share in the EU in the quarter was down 0.2 points to 38.5% as gains, notably in Austria, Belgium, Germany, Greece, Hungary and Poland were more than offset by declines, primarily in the Czech Republic, France, Italy, the Netherlands, Portugal and Spain. *Marlboro*'s share was up by 0.3 points to 18.4%, reflecting a higher share mainly in Belgium, the Czech Republic, Germany, Greece, Hungary, Italy and Poland which more than offset lower share mainly in France, the Netherlands, Portugal and Spain. *L&M*'s market share was down by 0.2 points to 6.6%, due to declines primarily in France, Greece, the Netherlands, Portugal and Spain, partly offset by gains in Germany, Finland, Poland and the Slovak Republic. *Chesterfield*'s market share was up by 0.3 points to 3.5%, driven mainly by gains across northern Europe, Hungary, Poland, Portugal and Spain. *Philip Morris*' market share was flat at 2.1%, with gains, notably in the Czech Republic and Italy, offset by declines mainly in Portugal and Spain.

PMI's shipments of OTP, in cigarette equivalent units, grew by 18.2% in the quarter, or by 23.1% June year-to-date, mainly reflecting a higher total market and share in France, Italy and Spain and a higher total market in Belgium. PMI's OTP total market share was 12.7%, up by 1.3 points, driven by fine cut gains notably in France, up by 0.7 points to 25.7%, Germany, up by 1.2 points to 16.0%, and Italy, up by 24.5 points to 31.0%.

EU Key Market Commentaries

In the Czech Republic, the total cigarette market was down by 4.2% to 5.3 billion units, mainly reflecting the impact of excise tax-driven price increases in the first and second quarters of 2012. PMI's shipments were down by 9.8%. Market share was down by 2.7 points to 42.8%, principally reflecting continued share declines for lower-margin local brands, such as *Petra* and *Sparta*, down by a combined 1.3 points, and *Red & White*, down by 1.1 points to 12.0%. This decline was partly offset by a higher share for *Marlboro*, up by 0.1 point to 7.6% and a higher share for *Philip Morris*, revamped during the first quarter of 2012, up by 0.7 points to 3.1%.

In France, the total cigarette market was down by 5.9% to 13.6 billion units, mainly reflecting the impact of price increases in the fourth quarter of 2011. PMI's shipments in the second quarter of 2012 were down by 10.1%. PMI's market share was down by 0.9 points to 40.0%, mainly due to *Marlboro*, down by 0.8 points to 25.2%, reflecting its crossing of the €6.00 per pack price threshold ahead of competitive brands. Market share of premium *Philip Morris* was flat at 8.3% and share of *Chesterfield* was up by 0.2 points to 3.3%. PMI's market share increased by 0.4 points compared to the first quarter of 2012, driven by *Marlboro*, up by 0.5 points. PMI's market share of the fine cut category was up by 0.7 points to 25.7%.

In Germany, the total cigarette market was down by 5.1% to 21.2 billion units, mainly reflecting the unfavorable impact of price increases in June 2011 and March 2012. June year-to-date, the total cigarette market was down by 1.3%. PMI's shipments were down by 4.5% in the quarter. PMI's market share grew by 0.3 points to 36.4%, driven by a higher share for *Marlboro*, up by 0.3 points to 21.4%, the brand's highest share since the fourth quarter of 2010, a higher share for *L&M*, up by 0.1 point to 10.5%, and a slightly higher share for *Chesterfield*, up by 0.1 point to 0.8%. PMI's market share of the fine cut category was up by 1.2 points to 16.0%.

In Italy, the total cigarette market was down by 10.5% to 20.2 billion units, reflecting the impact of price increases in July and September 2011, and March 2012, an unfavorable economic environment, strong growth in the fine cut market, and an increase in illicit trade. PMI's shipments were down by 13.4%. While PMI's market share declined by 0.5 points to 52.9%, driven largely by low-price *Diana*, down by 0.8 points to 12.4%, share of *Marlboro* grew by 0.3 points to 23.0%, fueled by the March 2012 and June 2012 launches of *Marlboro Silver* and *Marlboro Pocket Pack*, respectively. The decline in total market share, particularly in the low-price segment due to the growth of international low-price brands, was partially offset by the first-quarter 2012 launch of *Philip Morris Selection* in the low-price segment, as a result of which the *Philip Morris* brand family grew by 0.3 points to 3.6% in the second quarter. PMI's market share of the fine cut category was up by 24.5 points to 31.0% and up by 2.7 points compared to the first quarter of 2012.

In Poland, the total cigarette market was down by 7.7% to 13.8 billion units, mainly reflecting the impact of price increases in the first quarter of 2012. June year-to-date, the total cigarette market was down by 3.7%. Whilst PMI's shipments were down by 2.6%, market share was up by 2.0 points to 36.9%, mainly reflecting a favorable comparison with the second quarter of 2011 impacted by the delayed implementation of price increases by competition. Shares of *Marlboro*, *L&M*, *Chesterfield* and *Red & White* were up by 0.9, 0.4, 0.9 and 0.4 points to 11.2%, 16.3%, 2.1% and 5.5%, respectively. PMI's market share of the fine cut category was up by 0.1 point to 18.7%.

In Spain, the total cigarette market was down by 18.0% to 13.7 billion units, mainly reflecting the impact of price increases in the second half of 2011 and second quarter of 2012, the unfavorable economic environment and the growth of the OTP category. June year-to-date, the total cigarette market was down by 10.0%. PMI's shipments were down by 16.8%. Market share was down by 1.4 points to 29.6%, with higher share of *Chesterfield*, revamped in the first quarter of 2012, up by 0.5 points to 8.9%, offset by *Marlboro*, down by 0.7 points to 13.9%, *L&M*, down by 0.5 points to 6.1% and *Philip Morris*, down by 0.4 points to 0.7%. PMI's market share of the fine cut category was up by 1.2 points to 11.9%.

EASTERN EUROPE, MIDDLE EAST & AFRICA REGION (EEMA)

In EEMA, net revenues increased by 6.9% to $2.2 billion, despite unfavorable currency of $127 million. Excluding the impact of currency and acquisitions, net revenues increased by 12.7%, primarily due to favorable pricing of $114 million and favorable volume/mix of $141 million, the fourth consecutive quarter of favorable volume/mix. June year-to-date, net revenues, excluding currency and acquisitions, were up by 12.6%, driven by higher pricing and favorable volume/mix of $216 million and $251 million, respectively.

Operating companies income increased by 13.5% to $948 million, despite unfavorable currency of $80 million. Excluding the impact of currency and acquisitions, operating companies income increased by 22.9%, due primarily to higher pricing and favorable volume/mix of $104 million, partly offset by higher costs, principally related to investments in marketing, notably the launch of *Marlboro ClearTaste* in Russia, and business infrastructure, mainly in Russia. June year-to-date, operating companies income, excluding currency and acquisitions, was up by 20.7%.

Adjusted operating companies income increased by 13.5%, as shown in the table below and detailed on Schedule 11. Adjusted operating companies income, excluding currency and acquisitions, increased by 22.9% in the quarter and was up by 20.6% June year-to-date.

EEMA Operating Companies Income ($ Millions)

	Second-Quarter			Six Months Year-To-Date		
	2012	2011	Change	2012	2011	Change
Reported OCI	$ 948	$ 835	13.5%	$1,758	$1,557	12.9%
Asset impairment & exit costs	0	0		0	(2)	
Adjusted OCI	**$ 948**	**$ 835**	**13.5%**	**$1,758**	**$1,559**	**12.8%**
Adjusted OCI Margin*	44.1%	41.5%	2.6 p.p.	44.1%	42.1%	2.0 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 3.8 percentage points to 45.3%, as detailed on Schedule 11, or by 3.0 points to 45.1% June year-to-date, as detailed on Schedule 15.

PMI's cigarette shipment volume in EEMA increased by 5.1%, predominantly due to a higher total market and share in Turkey and a higher share in Russia, partly offset by a lower total market in Egypt reflecting the high incidence of illicit trade.

PMI's cigarette shipment volume of premium brands grew by 7.4% in EEMA, driven by *Marlboro,* up by 5.0%, mainly reflecting growth in North Africa, Saudi Arabia and Serbia, and *Parliament*, up by 16.3%, reflecting growth in Kazakhstan, Russia, Turkey and Ukraine.

EEMA Key Market Commentaries

In Russia, PMI's shipment volume increased by 8.7%. Shipment volume of PMI's premium portfolio was up by 12.5%, driven primarily by *Parliament*, up by 15.5%, and *Marlboro*, up by 6.1%. In the mid-price segment, shipment volume was up by 7.9%, mainly due to *Chesterfield*, up by 1.3%, and *L&M*, up by 27.1%, the third consecutive quarter of growth. In the low-price segment, shipment volume was up by 7.7%, driven by *Apollo Soyuz*, *Bond Street*, *Next* and *Optima*, up by 11.9%, 2.8%, 23.2%, and 5.0%, respectively. PMI's May quarter-to-date market share of 26.1%, as measured by Nielsen, was up by 0.7 points. Market share of *Parliament* was up by 0.2 points to 3.1%; *Marlboro* was down by 0.2 points to 1.9%; *L&M* was up slightly by 0.1 point to 2.5% and *Chesterfield* was flat at 3.4%; *Bond Street* was up by 0.3 points to 6.3%; *Next* was up by 0.4 points to 2.9%; and *Apollo Soyuz* and *Optima* were essentially flat at 1.4% and 3.2%, respectively.

In Turkey, the total cigarette market increased by an estimated 5.5% to 25.5 billion units, reflecting recovery after the October 2011 excise tax-driven price increase and a decline in the incidence of illicit trade. PMI's shipment volume increased by 8.9% across all price segments, notably premium shipment volume, up by 8.5%. PMI's May quarter-to-date market share, as measured by Nielsen, grew by 0.7 points to 45.3%, driven by premium *Parliament,* mid-price *Muratti* and low-price *Lark*, up by 0.8, 0.4 and 0.3 share points to 8.7%, 6.5% and 12.2%, respectively, partly offset by a decline in low-price *L&M*, down by 0.2 points to 8.6%. Market share of *Marlboro* was down slightly by 0.1 point to 9.0%.

In Ukraine, the total cigarette market declined by 3.0% to 23.1 billion units. June year-to-date, the total cigarette market was up by 0.6%. Whilst PMI's shipment volume decreased by 2.1%, May quarter-to-date market share, as measured by Nielsen, was up by 0.2 points to 32.1%. Share for premium *Parliament* was up by 0.5 points to 3.2%. Share of *Marlboro* was flat at 5.8%, *Chesterfield* was up slightly by 0.1 point to 7.4% and *Bond Street* was up by 1.4 points to 8.1%.

ASIA REGION

In Asia, net revenues decreased by 2.8% to $2.9 billion, including unfavorable currency of $29 million. Excluding the impact of currency, net revenues decreased by 1.8%, reflecting an unfavorable volume/mix of $152 million, primarily due to the Japan hurdle, partially offset by the favorable impact of pricing of $100 million, principally in Australia, Indonesia, Korea and the Philippines. June year-to-date, net revenues, excluding currency and acquisitions, were up by 6.2%, driven by higher pricing and favorable volume/mix of $244 million and $83 million, respectively.

Operating companies income decreased by 2.4% to $1.4 billion. Excluding the marginally favorable impact of currency of $3 million, operating companies income decreased by 2.6%, reflecting an unfavorable volume/mix, partly offset by higher pricing and lower costs related to the Japan hurdle. June year-to-date, operating companies income, excluding currency, was up by 9.0%.

Adjusted operating companies income decreased by 2.4% as shown in the table below and detailed on Schedule 11. Adjusted operating companies income, excluding currency, decreased by 2.6% in the quarter and was up by 8.9% June year-to-date.

Asia Operating Companies Income ($ Millions)

	Second-Quarter			Six Months Year-To-Date		
	2012	2011	Change	2012	2011	Change
Reported OCI	$1,364	$1,398	(2.4)%	$2,771	$2,491	11.2%
Asset impairment & exit costs	0	0		0	(2)	
Adjusted OCI	**$1,364**	**$1,398**	**(2.4)%**	**$2,771**	**$2,493**	**11.2%**
Adjusted OCI Margin*	47.8%	47.6%	0.2 p.p.	49.2%	47.4%	1.8 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 was down by 0.4 percentage points to 47.2%, as detailed on Schedule 11, or up by 1.2 points to 48.6% June year-to-date, as detailed on Schedule 15.

PMI's cigarette shipment volume in Asia decreased by 0.7%. Excluding the Japan hurdle, PMI's cigarette shipment volume in Asia increased by 7.4%, predominantly due to growth in Indonesia, Japan, Thailand and Vietnam, partially offset by a decline in the Philippines.

Shipment volume of *Marlboro* was down by 0.9%, or up by 8.2% excluding the Japan hurdle, driven by growth in Indonesia, Japan and Vietnam.

Asia Key Market Commentaries

In Indonesia, the total cigarette market was up by 6.9% to 79.6 billion units, driven by growth across all price segments. PMI's shipment volume grew by 17.8%. PMI's market share was up by 3.1 points to 33.5%, driven notably by *Sampoerna A* in the premium segment, up by 1.2 points to 13.1%, and mid-price *U Mild*, up by 1.0 point to 2.8%. *Marlboro*'s market share was up by 0.3 points to 4.5% and its share of the "white" cigarettes segment increased by 4.1 points to 68.9%. Market share of *Dji Sam Soe* was unchanged at 7.4%.

In Japan, the total cigarette market increased by 9.5% to 49.4 billion units, mainly reflecting a favorable comparison with the second quarter of 2011 which experienced a prolonged disruption of PMI's principal competitor's supply chain following the tragic events of March that year. PMI's shipment volume was down by 19.6% in the quarter, primarily reflecting an unfavorable comparison with the second quarter of 2011. Excluding the additional volume of 6.3 billion units associated with the second quarter of 2011, PMI's shipment volume increased by 19.2%. PMI's market share was down by 14.2 points to 27.8% in the quarter. Share of *Marlboro* was down by 3.9 points to 12.5%, but up by 0.1 point compared to its 2011 exit share, supported by the introduction of *Marlboro Black Menthol Edge 1* and *Marlboro Black Menthol Edge 8* in May. Share of *Lark* was down by 6.0 points to 8.4%, down by 0.2 points compared to its 2011 exit share. Share of *Philip Morris* was down by 1.7 points to 2.3%, and by 0.2 points compared to its 2011 exit share.

In Korea, the total cigarette market was down by 0.7% to 22.8 billion units. PMI's shipment volume decreased by 6.8%, reflecting the impact of PMI's price increases in February 2012. PMI's market share in the quarter of 18.8% was down by 1.1 points, with *Marlboro* and *Parliament* down by 0.9 and 0.5 points to 7.7% and 6.2%, respectively, partly offset by *Virginia Slims*, up by 0.5 points to 4.0%.

In the Philippines, the total cigarette market decreased by 2.2% to 24.7 billion units. PMI's shipment volume was down by 4.1%, mainly reflecting the impact of PMI's price increases in January 2012. PMI's market share declined by 1.9 points to 92.6%. *Marlboro*'s market share was down by 0.6 points to 20.6%. Market share of *Fortune* was up by 4.1 points to 50.9%.

LATIN AMERICA & CANADA REGION

In Latin America & Canada, net revenues were essentially flat at $829 million, despite unfavorable currency of $51 million. Excluding the impact of currency, net revenues increased by 6.3%, reflecting favorable pricing of $80 million, partially offset by unfavorable volume/mix of $28 million. June year-to-date, net revenues, excluding currency, were up by 5.8%, driven by higher pricing of $97 million, marginally offset by unfavorable volume/mix of $3 million.

Operating companies income decreased by 7.1% to $249 million. Excluding the unfavorable impact of currency of $25 million, operating companies income increased by 2.2%, primarily reflecting favorable pricing, partially offset by unfavorable volume/mix and higher costs, notably related to exit costs associated with the previously disclosed closure of a manufacturing plant in Mexico City. Adjusted operating companies income decreased by 4.1% as shown in the table below and detailed on Schedule 11. Adjusted operating companies income, excluding currency, increased by 5.2% in the quarter and by 4.6% June year-to-date.

Latin America & Canada Operating Companies Income ($ Millions)

	Second-Quarter			Six Months Year-To-Date		
	2012	**2011**	**Change**	**2012**	**2011**	**Change**
Reported OCI	$ 249	$ 268	(7.1)%	$ 486	$ 519	(6.4)%
Asset impairment & exit costs	(8)	0		(16)	(1)	
Adjusted OCI	**$ 257**	**$ 268**	**(4.1)%**	**$ 502**	**$ 520**	**(3.5)%**
Adjusted OCI Margin*	31.0%	32.4%	(1.4) p.p.	31.1%	32.3%	(1.2) 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 decreased by 0.4 percentage points to 32.0%, as detailed on Schedule 11 or by 0.3 points to 32.0% June year-to-date, as detailed on Schedule 15.

PMI's cigarette shipment volume in Latin America & Canada decreased by 3.0%, mainly driven by a lower total market and unfavorable trade inventory movements in Mexico. Shipment volume of *Marlboro* decreased by 2.3%, principally driven by Mexico, partly offset by Brazil.

Latin America & Canada Key Market Commentaries

In Argentina, the total cigarette market declined slightly by 0.4% to 10.6 billion units. PMI's cigarette shipment volume decreased by 0.4%. PMI's market share was up by 0.3 points to 74.7%, reflecting growth of mid-price *Philip Morris*, up by 1.4 share points to 39.3%, partly offset by low-price *Next*, down by 0.5 points to 3.2%. Market share of *Marlboro* was essentially flat at 23.9%.

In Canada, the total tax-paid cigarette market increased slightly by 0.2% to 8.5 billion units, reflecting a return of illicit trade to the legitimate market and improved economic conditions in the western provinces. PMI's cigarette shipment volume declined by 4.0%. PMI's market share was down by 0.7 points to 33.3%, reflecting share losses in the mid-price segment. Premium brands *Benson & Hedges* and *Belmont* were up by 0.1 point and 0.2 points to 2.0% each, and low-price brand *Next* was up by 0.6 points to 7.3%, offset by mid-price *Number 7* and *Canadian Classics*, and low-price *Accord* and *Quebec Classique*, down by 0.2, 0.2, 0.4 and 0.3 share points, to 3.9%, 8.5%, 3.2% and 2.4%, respectively.

In Mexico, the total cigarette market was down by 10.5% to 7.8 billion units, primarily due to the timing of Easter trade inventory movements. Excluding the inventory adjustments, the total cigarette market was down by an estimated 3.5% in the quarter, or by an estimated 2.6% June year-to-date. PMI's cigarette shipment volume decreased by 9.6% in the quarter, or by 2.7% excluding the aforementioned inventory adjustments. PMI's market share grew by 0.8 points to 73.0%, led by *Marlboro*, up by 1.2 share points to

53.2%, and *Benson & Hedges*, up by 0.3 points to 6.4%. Market share of low-price *Delicados* decreased by 1.0 point to 10.1%.

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 2011, the company held an estimated 16.0% share of the total international cigarette market outside of the U.S., or 28.1% 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. Achievement of projected results is subject to risks, uncertainties and inaccurate assumptions. In the event that risks or uncertainties materialize, or underlying assumptions prove inaccurate, actual results could vary materially from those contained in such forward-looking statements. Pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, PMI is identifying important factors that, individually or in the aggregate, could cause actual results and outcomes to differ materially from those contained in any forward-looking statements made by PMI.

PMI's business risks include: significant increases in cigarette-related taxes; the imposition of discriminatory excise tax structures; fluctuations in customer inventory levels due to increases in product taxes and prices; increasing marketing and regulatory restrictions, often with the goal of preventing the use of tobacco products; health concerns relating to the use of tobacco products and exposure to environmental tobacco smoke; litigation related to tobacco use; intense competition; the effects of global and individual country economic, regulatory and political developments; changes in adult smoker behavior; lost revenues as a result of counterfeiting, contraband and cross-border purchases; governmental investigations; unfavorable currency exchange rates and currency devaluations; adverse changes in applicable corporate tax laws; adverse changes in the cost and quality of tobacco and other agricultural products and raw materials; and the integrity of its information systems. PMI's future profitability may also be adversely affected should it be unsuccessful in its attempts to produce products with the potential to reduce the risk of smoking-related diseases; if it is unable to successfully introduce new products, promote brand equity, enter new markets or improve its margins through increased prices and productivity gains; if it is unable to expand its brand portfolio internally or through acquisitions and the development of strategic business relationships; or if it is unable to attract and retain the best global talent.

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, 2012. PMI cautions that the foregoing list of important factors is not a complete discussion of all potential risks and uncertainties. PMI does not undertake to update any forward-looking statement that it may make from time to time, 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)

	2012	2011	% Change
Net revenues	**$20,037**	**$20,234**	**(1.0)%**
Cost of sales	2,666	2,844	(6.3)%
Excise taxes on products [(1)]	11,917	11,961	(0.4)%
Gross profit	5,454	5,429	0.5%
Marketing, administration and research costs	1,768	1,647	
Asset impairment and exit costs	8	1	
Operating companies income	**3,678**	**3,781**	**(2.7)%**
Amortization of intangibles	25	24	
General corporate expenses	49	45	
Operating income	**3,604**	**3,712**	**(2.9)%**
Interest expense, net	209	208	
Earnings before income taxes	3,395	3,504	(3.1)%
Provision for income taxes	988	1,019	(3.0)%
Net earnings	2,407	2,485	(3.1)%
Net earnings attributable to noncontrolling interests	90	76	
Net earnings attributable to PMI	**$ 2,317**	**$ 2,409**	**(3.8)%**
Per share data:[(2)]			
Basic earnings per share	**$ 1.36**	**$ 1.35**	**0.7%**
Diluted earnings per share	**$ 1.36**	**$ 1.35**	**0.7%**

(1) The segment detail of excise taxes on products sold for the quarters ended June 30, 2012 and 2011 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, 2012 and 2011 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
2012	Net Revenues [1]	$ 7,280	$ 5,062	$ 5,317	$ 2,378	$ 20,037
	Excise Taxes on Products	(4,995)	(2,911)	(2,462)	(1,549)	(11,917)
	Net Revenues excluding Excise Taxes	**2,285**	**2,151**	**2,855**	**829**	**8,120**
2011	Net Revenues	$ 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**
Variance	Currency	(195)	(127)	(29)	(51)	(402)
	Acquisitions	—	11	—	—	11
	Operations	(17)	255	(52)	52	238
	Variance Total	**(212)**	**139**	**(81)**	**1**	**(153)**
	Variance Total (%)	(8.5)%	6.9%	(2.8)%	0.1%	(1.8)%
	Variance excluding Currency	(17)	266	(52)	52	249
	Variance excluding Currency (%)	(0.7)%	13.2%	(1.8)%	6.3%	3.0%
	Variance excluding Currency & Acquisitions	(17)	255	(52)	52	238
	Variance excluding Currency & Acquisitions (%)	(0.7)%	12.7%	(1.8)%	6.3%	2.9%

[1] 2012 Currency decreased net revenues as follows:

European Union	$ (653)
EEMA	(462)
Asia	(108)
Latin America & Canada	(171)
	$(1,394)

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
2012	$ 1,117	$ 948	$1,364	$ 249	$3,678
2011	1,280	835	1,398	268	3,781
% Change	(12.7)%	13.5%	(2.4)%	(7.1)%	(2.7)%
Reconciliation:					
For the quarter ended June 30, 2011	**$ 1,280**	**$ 835**	**$1,398**	**$ 268**	**$3,781**
2011 Asset impairment and exit costs	1	—	—	—	1
2012 Asset impairment and exit costs	—	—	—	(8)	(8)
Acquired businesses	—	2	—	—	2
Currency	(130)	(80)	3	(25)	(232)
Operations	(34)	191	(37)	14	134
For the quarter ended June 30, 2012	**$ 1,117**	**$ 948**	**$1,364**	**$ 249**	**$3,678**

Schedule 4

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

	Diluted E.P.S.
2012 Diluted Earnings Per Share	$ 1.36(1)
2011 Diluted Earnings Per Share	$ 1.35(1)
Change	$ 0.01
% Change	0.7%
Reconciliation:	
2011 Diluted Earnings Per Share	**$ 1.35(1)**
Special Items:	
2012 Asset impairment and exit costs	—
2012 Tax items	—
2011 Asset impairment and exit costs	—
2011 Tax items	(0.01)
Currency	(0.10)
Interest	—
Change in tax rate	0.01
Impact of lower shares outstanding and share-based payments	0.06
Operations	0.05
2012 Diluted Earnings Per Share	**$ 1.36(1)**

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

	Q2 2012	Q2 2011
Net earnings attributable to PMI	$2,317	$2,409
Less distributed and undistributed earnings attributable to share-based payment awards	12	14
Net earnings for basic and diluted EPS	$2,305	$2,395
Weighted-average shares for basic EPS	1,701	1,772
Plus incremental shares from assumed conversions:		
Stock Options	—	—
Weighted-average shares for diluted EPS	1,701	1,772

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

	2012	2011	% Change
Net revenues	**$38,059**	**$36,764**	**3.5%**
Cost of sales	5,108	5,139	(0.6)%
Excise taxes on products [1]	22,491	21,700	3.6%
Gross profit	10,460	9,925	5.4%
Marketing, administration and research costs	3,282	3,055	
Asset impairment and exit costs	16	17	
Operating companies income	**7,162**	**6,853**	**4.5%**
Amortization of intangibles	49	48	
General corporate expenses	106	86	
Operating income	**7,007**	**6,719**	**4.3%**
Interest expense, net	422	421	
Earnings before income taxes	6,585	6,298	4.6%
Provision for income taxes	1,946	1,826	6.6%
Net earnings	4,639	4,472	3.7%
Net earnings attributable to noncontrolling interests	161	144	
Net earnings attributable to PMI	**$ 4,478**	**$ 4,328**	**3.5%**
Per share data:[2]			
Basic earnings per share	**$ 2.60**	**$ 2.42**	**7.4%**
Diluted earnings per share	**$ 2.60**	**$ 2.42**	**7.4%**

(1) The segment detail of excise taxes on products sold for the six months ended June 30, 2012 and 2011 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, 2012 and 2011 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
2012	Net Revenues [1]	$13,750	$ 9,131	$10,494	$ 4,684	$ 38,059
	Excise Taxes on Products	(9,412)	(5,145)	(4,862)	(3,072)	(22,491)
	Net Revenues excluding Excise Taxes	**4,338**	**3,986**	**5,632**	**1,612**	**15,568**
2011	Net Revenues	$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**
Variance	Currency	(249)	(200)	45	(90)	(494)
	Acquisitions	—	20	1	—	21
	Operations	89	467	327	94	977
	Variance Total	**(160)**	**287**	**373**	**4**	**504**
	Variance Total (%)	(3.6)%	7.8%	7.1%	0.2%	3.3%
	Variance excluding Currency	89	487	328	94	998
	Variance excluding Currency (%)	2.0%	13.2%	6.2%	5.8%	6.6%
	Variance excluding Currency & Acquisitions	89	467	327	94	977
	Variance excluding Currency & Acquisitions (%)	2.0%	12.6%	6.2%	5.8%	6.5%

[1] 2012 Currency decreased net revenues as follows:

European Union	$ (867)
EEMA	(778)
Asia	(27)
Latin America & Canada	(309)
	$(1,981)

Schedule 7

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**
2012	$ 2,147	$1,758	$2,771	$ 486	$7,162
2011	2,286	1,557	2,491	519	6,853
% Change	(6.1)%	12.9%	11.2%	(6.4)%	4.5%
Reconciliation:					
For the six months ended June 30, 2011	**$ 2,286**	**$1,557**	**$2,491**	**$ 519**	**$6,853**
2011 Asset impairment and exit costs	12	2	2	1	17
2012 Asset impairment and exit costs	—	—	—	(16)	(16)
Acquired businesses	—	2	—	—	2
Currency	(155)	(124)	56	(42)	(265)
Operations	4	321	222	24	571
For the six months ended June 30, 2012	**$ 2,147**	**$1,758**	**$2,771**	**$ 486**	**$7,162**

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

	Diluted E.P.S.
2012 Diluted Earnings Per Share	$ 2.60[1]
2011 Diluted Earnings Per Share	$ 2.42[1]
Change	$ 0.18
% Change	7.4%
Reconciliation:	
2011 Diluted Earnings Per Share	**$ 2.42[1]**
Special Items:	
2012 Asset impairment and exit costs	(0.01)
2012 Tax items	—
2011 Asset impairment and exit costs	0.01
2011 Tax items	(0.02)
Currency	(0.12)
Interest	—
Change in tax rate	—
Impact of lower shares outstanding and share-based payments	0.11
Operations	0.21
2012 Diluted Earnings per Share	**$ 2.60[1]**

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

	YTD June 2012	YTD June 2011
Net earnings attributable to PMI	$ 4,478	$ 4,328
Less distributed and undistributed earnings attributable to share-based payment awards	24	24
Net earnings for basic and diluted EPS	$ 4,454	$ 4,304
Weighted-average shares for basic EPS	1,710	1,782
Plus incremental shares from assumed conversions:		
Stock Options	—	—
Weighted-average shares for diluted EPS	1,710	1,782

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

	June 30, 2012	December 31, 2011
Assets		
Cash and cash equivalents	$ 3,846	$ 2,550
All other current assets	11,715	12,309
Property, plant and equipment, net	6,161	6,250
Goodwill	9,737	9,928
Other intangible assets, net	3,614	3,697
Other assets	725	754
Total assets	**$35,798**	**$ 35,488**
Liabilities and Stockholders' (Deficit) Equity		
Short-term borrowings	$ 2,694	$ 1,511
Current portion of long-term debt	3,284	2,206
All other current liabilities	10,852	11,077
Long-term debt	14,824	14,828
Deferred income taxes	1,964	1,976
Other long-term liabilities	2,034	2,127
Total liabilities	35,652	33,725
Redeemable noncontrolling interest	1,262	1,212
Total PMI stockholders' (deficit) equity	(1,366)	229
Noncontrolling interests	250	322
Total stockholders' (deficit) equity	(1,116)	551
Total liabilities and stockholders' (deficit) equity	**$35,798**	**$ 35,488**
Total debt	$20,802	$ 18,545
Total debt to EBITDA	1.43[(1)]	1.29[(1)]
Net debt to EBITDA	1.16[(1)]	1.12[(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)

2012								2011			% Change in Reported Net Revenues excluding Excise Taxes		
Reported Net Revenues	Less Excise Taxes	Reported Net Revenues excluding Excise Taxes	Less Currency	Reported Net Revenues excluding Excise Taxes & Currency	Less Acquisitions	Reported Net Revenues excluding Excise Taxes, Currency & Acquisitions		Reported Net Revenues	Less Excise Taxes	Reported Net Revenues excluding Excise Taxes	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions
$ 7,280	$ 4,995	$ 2,285	$ (195)	$ 2,480	$ —	$ 2,480	European Union	$ 8,080	$ 5,583	$ 2,497	(8.5)%	(0.7)%	(0.7)%
5,062	2,911	2,151	(127)	2,278	11	2,267	EEMA	4,603	2,591	2,012	6.9%	13.2%	12.7%
5,317	2,462	2,855	(29)	2,884	—	2,884	Asia	5,146	2,210	2,936	(2.8)%	(1.8)%	(1.8)%
2,378	1,549	829	(51)	880	—	880	Latin America & Canada	2,405	1,577	828	0.1%	6.3%	6.3%
$ 20,037	**$11,917**	**$ 8,120**	**$ (402)**	**$ 8,522**	**$ 11**	**$ 8,511**	**PMI Total**	**$20,234**	**$11,961**	**$ 8,273**	**(1.8)%**	**3.0%**	**2.9%**

2012						2011	% 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
$1,117	$ (130)	$ 1,247	$ —	$ 1,247	European Union	$ 1,280	(12.7)%	(2.6)%	(2.6)%
948	(80)	1,028	2	1,026	EEMA	835	13.5%	23.1%	22.9%
1,364	3	1,361	—	1,361	Asia	1,398	(2.4)%	(2.6)%	(2.6)%
249	(25)	274	—	274	Latin America & Canada	268	(7.1)%	2.2%	2.2%
$ 3,678	**$ (232)**	**$ 3,910**	**$ 2**	**$ 3,908**	**PMI Total**	**$ 3,781**	**(2.7)%**	**3.4%**	**3.4%**

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)

2012								2011			% 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**
$ 1,117	$ —	$ 1,117	$ (130)	$ 1,247	$ —	$ 1,247	European Union	$ 1,280	$ (1)	$ 1,281	(12.8)%	(2.7)%	(2.7)%
948	—	948	(80)	1,028	2	1,026	EEMA	835	—	835	13.5%	23.1%	22.9%
1,364	—	1,364	3	1,361	—	1,361	Asia	1,398	—	1,398	(2.4)%	(2.6)%	(2.6)%
249	(8)	257	(25)	282	—	282	Latin America & Canada	268	—	268	(4.1)%	5.2%	5.2%
$ 3,678	**$ (8)**	**$ 3,686**	**$ (232)**	**$ 3,918**	**$ 2**	**$ 3,916**	**PMI Total**	**$ 3,781**	**$ (1)**	**$ 3,782**	**(2.5)%**	**3.6%**	**3.5%**

2012							2011			% 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**
$ 1,247	$ 2,480	50.3%	$ 1,247	$ 2,480	50.3%	European Union	$ 1,281	$ 2,497	51.3%	(1.0)	(1.0)
1,028	2,278	45.1%	1,026	2,267	45.3%	EEMA	835	2,012	41.5%	3.6	3.8
1,361	2,884	47.2%	1,361	2,884	47.2%	Asia	1,398	2,936	47.6%	(0.4)	(0.4)
282	880	32.0%	282	880	32.0%	Latin America & Canada	268	828	32.4%	(0.4)	(0.4)
$ 3,918	**$ 8,522**	**46.0%**	**$ 3,916**	**$ 8,511**	**46.0%**	**PMI Total**	**$ 3,782**	**$ 8,273**	**45.7%**	**0.3**	**0.3**

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

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)

	2012	2011	% Change
Reported Diluted EPS	**$ 1.36**	**$ 1.35**	**0.7%**
Adjustments:			
Asset impairment and exit costs	—	—	
Tax items	—	(0.01)	
Adjusted Diluted EPS	**$ 1.36**	**$ 1.34**	**1.5%**
Less:			
Currency impact	(0.10)		
Adjusted Diluted EPS, excluding Currency	**$ 1.46**	**$ 1.34**	**9.0%**

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)

	2012	2011	% Change
Reported Diluted EPS	**$ 1.36**	**$1.35**	**0.7%**
Less:			
Currency impact	(0.10)		
Reported Diluted EPS, excluding Currency	**$ 1.46**	**$1.35**	**8.1%**

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)

2012								2011			% 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
$ 13,750	$ 9,412	$ 4,338	$ (249)	$ 4,587	$ —	$ 4,587	European Union	$14,495	$ 9,997	$ 4,498	(3.6)%	2.0%	2.0%
9,131	5,145	3,986	(200)	4,186	20	4,166	EEMA	8,274	4,575	3,699	7.8%	13.2%	12.6%
10,494	4,862	5,632	45	5,587	1	5,586	Asia	9,434	4,175	5,259	7.1%	6.2%	6.2%
4,684	3,072	1,612	(90)	1,702	—	1,702	Latin America & Canada	4,561	2,953	1,608	0.2%	5.8%	5.8%
$ 38,059	**$22,491**	**$ 15,568**	**$ (494)**	**$ 16,062**	**$ 21**	**$ 16,041**	**PMI Total**	**$36,764**	**$21,700**	**$ 15,064**	**3.3%**	**6.6%**	**6.5%**

2012						2011	% 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
$ 2,147	$ (155)	$ 2,302	$ —	$ 2,302	European Union	$ 2,286	(6.1)%	0.7%	0.7%
1,758	(124)	1,882	2	1,880	EEMA	1,557	12.9%	20.9%	20.7%
2,771	56	2,715	—	2,715	Asia	2,491	11.2%	9.0%	9.0%
486	(42)	528	—	528	Latin America & Canada	519	(6.4)%	1.7%	1.7%
$ 7,162	**$ (265)**	**$ 7,427**	**$ 2**	**$ 7,425**	**PMI Total**	**$ 6,853**	**4.5%**	**8.4%**	**8.3%**

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)

2012								2011			% 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**
$ 2,147	$ —	$ 2,147	$ (155)	$ 2,302	$ —	$ 2,302	European Union	$ 2,286	$ (12)	$ 2,298	(6.6)%	0.2%	0.2%
1,758	—	1,758	(124)	1,882	2	1,880	EEMA	1,557	(2)	1,559	12.8%	20.7%	20.6%
2,771	—	2,771	56	2,715	—	2,715	Asia	2,491	(2)	2,493	11.2%	8.9%	8.9%
486	(16)	502	(42)	544	—	544	Latin America & Canada	519	(1)	520	(3.5)%	4.6%	4.6%
$ 7,162	**$ (16)**	**$ 7,178**	**$ (265)**	**$ 7,443**	**$ 2**	**$ 7,441**	**PMI Total**	**$ 6,853**	**$ (17)**	**$ 6,870**	**4.5%**	**8.3%**	**8.3%**

2012								2011			% 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**
$ 2,302	$ 4,587	50.2%	$ 2,302	$ 4,587	50.2%	European Union	$ 2,298	$ 4,498	51.1%		(0.9)	(0.9)
1,882	4,186	45.0%	1,880	4,166	45.1%	EEMA	1,559	3,699	42.1%		2.9	3.0
2,715	5,587	48.6%	2,715	5,586	48.6%	Asia	2,493	5,259	47.4%		1.2	1.2
544	1,702	32.0%	544	1,702	32.0%	Latin America & Canada	520	1,608	32.3%		(0.3)	(0.3)
$ 7,443	**$ 16,062**	**46.3%**	**$ 7,441**	**$ 16,041**	**46.4%**	**PMI Total**	**$ 6,870**	**$ 15,064**	**45.6%**		**0.7**	**0.8**

(1) 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)

	2012	2011	% Change
Reported Diluted EPS	**$ 2.60**	**$ 2.42**	**7.4%**
Adjustments:			
Asset impairment and exit costs	0.01	0.01	
Tax items	—	(0.02)	
Adjusted Diluted EPS	**$ 2.61**	**$ 2.41**	**8.3%**
Less:			
Currency impact	(0.12)		
Adjusted Diluted EPS, excluding Currency	**$ 2.73**	**$ 2.41**	**13.3%**

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)

	2012	2011	% Change
Reported Diluted EPS	**$ 2.60**	**$2.42**	**7.4%**
Less:			
Currency impact	(0.12)		
Reported Diluted EPS, excluding Currency	**$ 2.72**	**$2.42**	**12.4%**

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, 2012			For the Year Ended December 31, 2011
	July ~ December 2011	January ~ June 2012	12 months rolling	
Earnings before income taxes	$ 6,234	$ 6,585	$12,819	$ 12,532
Interest expense, net	379	422	801	800
Depreciation and amortization	505	449	954	993
EBITDA	**$ 7,118**	**$ 7,456**	**$14,574**	**$ 14,325**

	June 30, 2012	December 31, 2011
Short-term borrowings	$ 2,694	$ 1,511
Current portion of long-term debt	3,284	2,206
Long-term debt	14,824	14,828
Total Debt	**$20,802**	**$ 18,545**
Less: Cash and cash equivalents	3,846	2,550
Net Debt	**$16,956**	**$ 15,995**
Ratios		
Total Debt to EBITDA	**1.43**	**1.29**
Net Debt to EBITDA	**1.16**	**1.12**

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,		
	2012	2011	% Change	2012	2011	% Change
Net cash provided by operating activities[a]	**$3,480**	**$4,120**	**(15.5)%**	**$5,378**	**$6,515**	**(17.5)%**
Less:						
Capital expenditures	249	186		476	345	
Free cash flow	**$3,231**	**$3,934**	**(17.9)%**	**$4,902**	**$6,170**	**(20.6)%**
Less:						
Currency impact	(389)			(439)		
Free cash flow, excluding currency	**$3,620**	**$3,934**	**(8.0)%**	**$5,341**	**$6,170**	**(13.4)%**

	For the Quarters Ended June 30,			For the Six Months Ended June 30,		
	2012	2011	% Change	2012	2011	% Change
Net cash provided by operating activities[a]	**$3,480**	**$4,120**	**(15.5)%**	**$5,378**	**$6,515**	**(17.5)%**
Less:						
Currency impact	(401)			(455)		
Net cash provided by operating activities, excluding currency	**$3,881**	**$4,120**	**(5.8)%**	**$5,833**	**$6,515**	**(10.5)%**

(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)

	2011
Reported Diluted EPS	**$ 4.85**
Adjustments:	
Asset impairment and exit costs	0.05
Tax items	(0.02)
Adjusted Diluted EPS	**$ 4.88**

Exhibit 99.2

Philip Morris International Inc.
2012 Second-Quarter Results Conference Call
July 19, 2012

NICK ROLLI

(SLIDE 1.)

Welcome. Thank you for joining us. Earlier today, we issued a press release containing detailed information on our 2012 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 2012 and comparing them with the same period in 2011, unless otherwise stated. References to volumes are to 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 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 webcast slides, which are posted on our web site.

(SLIDE 3.)

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

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

Hermann.

HERMANN WALDEMER

(SLIDE 4.)

Thank you Nick, and welcome ladies and gentlemen.

We again achieved strong underlying business results in the second quarter, with actual results impacted both by unfavorable currency movements and the hurdle we faced in Japan due to our extraordinary results there during the second quarter last year.

Our organic cigarette volume in the quarter was down by 1.2% to 238.3 billion units. However, excluding the Japan hurdle of 6.3 billion units, organic cigarette volume was up by 1.4%. In addition, our organic volume of Other Tobacco Products increased by 11.8% in the quarter.

(SLIDE 5.)

Net revenues and adjusted OCI, excluding currency and acquisitions, were up by 2.9% and 3.5%, respectively. Without the Japan hurdle, our growth rates would have been in line with our annual mid to long-term currency-neutral targets of 4% to 6% and 6% to 8%, respectively.

(SLIDE 6.)

Adjusted diluted EPS reached $1.36 in the second quarter, slightly ahead of last year, and were up by 9.0%, excluding currency. If one also takes into consideration the previously disclosed Japan hurdle of ten cents at an EPS level, then adjusted diluted EPS, excluding currency, was up by a very strong 17.7% in the second quarter.

(SLIDE 7.)

Our results for the first half of the year were excellent. Organic cigarette volume was up 1.8%. Excluding currency and acquisitions, net revenues and adjusted OCI grew by 6.5% and 8.3%, respectively. Finally, adjusted diluted EPS increased by 13.3%, excluding currency.

(SLIDE 8.)

These results confirm our expectation of solid organic cigarette volume growth in 2012. We have the best geographic footprint in the industry and leadership in both emerging and developed markets. Our volume is growing strongly in many markets in both the Asia and EEMA Regions, offsetting weaker volume trends in the EU Region due to the deterioration of the economic situation and weaker consumer confidence. Consequently, we expect to continue to grow currency-neutral profitability at a rapid pace, with sustained strong pricing and a favorable product mix only partially offset by an unfavorable geographic mix.

Exchange rates however continue to be volatile. At prevailing exchange rates, the forecast currency headwind this year is slightly higher than the 25 cents per share that we predicted in June. However, our underlying business is very strong and this is expected to offset the additional unfavorable currency impact of two cents per share.

(SLIDE 9.)

We are therefore today reaffirming our reported diluted 2012 EPS guidance of $5.10 to $5.20, compared to $4.85 in 2011. On a currency-neutral basis, our guidance implies a forecast growth rate of approximately 10% to 12%, compared to adjusted diluted EPS of $4.88 in 2011, this despite the Japan hurdle and weak industry volume in Europe. Let me remind you that our mid to long-term currency-neutral annual growth target for adjusted diluted EPS is also 10% to 12%.

(SLIDE 10.)

As we indicated during our Investor Day last month, cigarette industry volumes in the EU Region were unusually depressed in the second quarter. The overall decline was 9.7%, with significant reductions not only in markets such as Greece and Spain, but also in Italy and Poland, with even Germany suffering a 5.1% drop. The decline was driven by a reduction in daily consumption, while smoking incidence has remained relatively stable.

For the first half of the year, cigarette industry volume in the EU Region was down 5.8%. This confirms that the second quarter decline was unusually severe as adult smokers adjusted to the renewed recessionary environment and there were some unfavorable timing issues. Our current expectation for the second half of the year is that the decline rate for cigarette industry volume in the EU Region should be similar to that experienced during the first half of the year.

(SLIDE 11.)

The average unemployment rate across the European Union increased by 0.7 points between June 2011 and May 2012, with significantly more pronounced increases in Greece, Spain and Italy. Only Germany showed a meaningful decline.

As a result of the deteriorating job market, the average unemployment level in the EU stood at 10.3% in May, with Spain and Greece double this level. France and Italy are just below the EU average, while Germany and the Netherlands continue to have relatively low levels of unemployment.

We have always highlighted unemployment levels and trends as key indicators for industry volume. We therefore do not expect a return to the normal underlying decline rate of 2% to 3% in the EU Region until the issue is addressed in a meaningful way.

(SLIDE 12.)

We achieved a resilient market share performance in the second quarter, with 38.5% overall in the EU Region, 0.2 points below the previous year's level. On a half year basis, our share of 37.9% was down 0.4 points.

We are very encouraged by the performance of *Marlboro* in this difficult economic environment. In the second quarter, *Marlboro*'s share in the Region grew by 0.3 points to 18.4%, and it was up slightly on a six month basis. *Marlboro* gained share in the quarter notably in Belgium, the Czech Republic, Finland, Germany, Greece, Hungary, Italy and Poland. *L&M* continued to grow share in such markets as Finland, Germany, Poland and Slovakia, but this was not enough to offset declines in the quarter in Greece, the Netherlands, Portugal and Spain. *Chesterfield* is performing very well and is being successfully established as a strong second leg for us in the low-price segment in the EU Region.

(SLIDE 13.)

We are rapidly gaining share in the growing fine-cut category. Industry volumes increased by nearly 8% in both the second quarter and the first half, as adult smokers down-traded to less expensive options. Our share of the fine cut category rose by 1.4 points in the quarter and by 1.7 points in the first half to 14.1% and 14.0%, respectively.

(SLIDE 14.)

The market situation in Italy deserves specific attention.

Cigarette industry volume in Italy declined by 10.5% in the second quarter and by 8.5% in the first half of 2012. The most important single factor has been a reduction in consumer purchasing power, aggravated by the payment of increased property taxes in June and the increase in cigarette prices over the last twelve months. This unfavorable development in the cigarette industry is not a unique phenomenon as a wide range of consumer products have been affected by the economic slowdown.

Impacting specifically the cigarette industry, there has also been down-trading to the fine cut category and an increase in illicit trade, particularly the so-called "illicit whites", with brands such as *Jin-Ling* and *Classic*. Despite recent price increases, the fine cut category grew by 74.6% in the quarter, though it still represents a relatively modest 6.5% of total tobacco industry volume.

In terms of market share, *Marlboro* is performing strongly. It gained 0.3 points to reach a 23.0% share in the quarter, despite the continued pressure on the premium segment. However, our overall cigarette market share declined in both the quarter and the first half, as the strong performance of *Marlboro* and the launch of *Philip Morris Selection* in the low-price segment were unable to offset the decline of our local heritage brand *Diana*. In contrast, our share in fine cut grew by 24.5 points in the quarter to a record level of 31.0%, firmly establishing us as the category leader in Italy.

(SLIDE 15.)

In Germany, cigarette industry volume declined in the quarter by 5.1%. This was attributable to the impact of the recent price increases, a decline in consumer confidence in spite of low unemployment rates, a difficult comparison with a second quarter last year that was up 4.6%, and some timing issues. We believe that the first half decline of 1.3% is a better reflection of the underlying trend.

PMI continued to perform strongly with further share gains in the second quarter. Our share in cigarettes was up 0.3 points to 36.4% and our share in fine cut grew by 1.2 points to 16.0%. We are very pleased by the improved performance of *Marlboro*, which gained 0.3 points in the cigarette category and 1.2 points in the fine cut category, while *L&M* continued to grow share in the cigarette category and *Chesterfield* gained in both the cigarette and the fine cut categories.

(SLIDE 16.)

As a consequence of the industry volume declines, our second quarter results were soft in the EU Region. Cigarette volume was down 9.4%, only partially offset by a strong 18.2% growth in OTP volume. Net revenues and adjusted OCI, excluding currency and acquisitions, were down 0.7% and 2.7%, respectively. We were largely able to offset the lower volumes with higher prices. Excluding currency and acquisitions, June Year-to-Date net revenues, increased by 2.0% and adjusted OCI was just above the prior year level on the same basis.

(SLIDE 17.)

In contrast, we had another very strong quarter in the EEMA Region and our results Year-to-Date June were equally excellent. In the quarter, organic volume grew by 4.9%, while net revenues and adjusted OCI, excluding currency and acquisitions, increased by 12.7% and 22.9%, respectively.

(SLIDE 18.)

While pricing at $114 million continued to be a significant contributor to the growth in EEMA's OCI, it was almost matched in the quarter by our $104 million volume/mix variance. This is in fact the fifth consecutive quarter of positive volume/mix in the Region.

(SLIDE 19.)

This was driven by the strength of our brand portfolio, with a particularly encouraging performance of our premium brands, with volume up 7.4% in the second quarter. Overall, nine of our top ten brands in the EEMA Region grew volume in the quarter, with just *Chesterfield* down. *Marlboro* had a strong quarter with a volume gain of over one billion units, or 5.0%, driven mainly by North Africa, Saudi Arabia and Serbia. The performance of *Parliament* was truly outstanding with volume up 1.1 billion units, or 16.3%, driven mainly by Eastern Europe and Turkey.

On a market basis, our strong results were led by Russia, so let me provide you with further details on this important market.

(SLIDE 20.)

Though we do not have definitive data yet, we believe that the Russian cigarette market grew slightly during the first half of the year. We attribute this to an improvement in the economy and a return of foreign workers as the construction industry has started to pick up again. As a result of recent price increases in cigarettes, foreseen hikes in utility prices, and slightly slower expected economic growth in the second half of the year, we forecast that full year industry cigarette volume should reach a level similar to last year's.

We are outpacing industry volume. During the second quarter, our volume increased at a much faster rate of 8.7% and was 5.0% higher in the first half. Two very important positive aspects of the Russian market were uptrading by adult smokers, in spite of significant price increases, and our ability to gain market share, thanks to the strength and breadth of our brand portfolio. For the quarter through the end of May, our market share was 0.7 points higher at 26.1% thanks to the strong performance of *Parliament*, *L&M*, *Bond Street* and *Next*.

We took a further price increase of 3 Rubles per pack across our portfolio in July.

(SLIDE 21.)

We launched *Marlboro ClearTaste* in Russia in June. This is a much smoother-tasting line of products, which addresses adult smoker preferences. We started the launch in key cities and have already achieved outstanding distribution at point of sale. Initial consumer feedback and trial data are positive. It will of course take several months before we can draw any firm conclusions.

(SLIDE 22.)

Our performance in the Asia Region was again very strong in the second quarter. This was, however, masked by the aforementioned hurdle in Japan.

Our organic cigarette volume in the quarter was up 7.4% excluding the Japan hurdle, driven primarily by Indonesia, though down 0.7% on a reported basis. Likewise, excluding the Japan hurdle, adjusted OCI, excluding currency and acquisitions, would have shown a strong increase, but it was down 2.6% including the full comparison for Japan.

(SLIDE 23.)

Industry volume in Japan increased by nearly 10% in the second quarter compared to the distorted period last year. For 2012, we are now forecasting a stable total market, though the underlying trend remains a moderate decline of 1% to 2% a year going forward.

During the first half of this year, Japan Tobacco accelerated its program of new launches and this has had some impact on our market share, which reached 27.8% in the second quarter. This was 0.2 points lower than the previous quarter but still substantially above the pre-earthquake share levels.

Lark Hybrid 100s maintained a 0.4% market share and we launched *Marlboro Black Menthol Edge 8* and *Marlboro Menthol Edge 1* during the second quarter. Our latest launch this month is *Marlboro Ice Blast* in 5mg and 1mg variants - the 8mg variant having achieved a 1.3% market share during the second quarter. With these efforts and additional new launches in the pipeline, we are confident that we should be able to stabilize our market position going forward.

On the fiscal front, the Japanese Government obtained Parliamentary approval for a two-step increase in Consumption Tax from 5% today to 8% in 2014 and 10% in 2015. While prices remain government controlled, the last tax increases resulted in margin-enhancing price increases.

(SLIDE 24.)

Volumes continued to grow in the second quarter in Indonesia, albeit, as expected, at a slower rate than in the first quarter. Industry volume grew by 6.9% in the second quarter, while PMI volume increased by 17.8%. Supported by a strong economy, adult smokers have been uptrading to the premium segment, which has grown by 2.0 points in the first six months of this year.

PMI has the strongest and broadest portfolio in the Indonesian market along with an unmatched national distribution network and highly qualified and motivated employees. Our market share grew by 3.1 points in the quarter to 33.5% as *Sampoerna A* remained the fastest-growing brand, in terms of share gains, with an increase of 1.2 points to 13.1%, and we continued to benefit from rounded price points.

Going forward, we forecast a market growth of around 8% for the full year, and look for further PMI share growth, though at a slower pace than in the first half of this year.

(SLIDE 25.)

Pricing continues to be the most important single driver of PMI's profitability. The pricing variance was $463 million in the quarter, giving a half year pricing variance of $832 million. This year we have increased prices notably in Argentina, Australia, Brazil, Germany, Indonesia, Italy, Korea, Mexico, the Philippines, Poland, Russia, Saudi Arabia, Spain and Ukraine.

(SLIDE 26.)

Our volume/mix variance was obviously negative in the quarter due to the Japan hurdle. However, as you can see on the chart, excluding the hurdle, eight of our top ten brands grew volume in the first half of the year and the other two were essentially stable. In volume terms, *Marlboro* achieved the largest growth, while in percentage terms, *Fortune*, *Sampoerna A*, *Parliament* and *Lark* all recorded double digit growth.

(SLIDE 27.)

We are continuing to expand our market share in our top 30 OCI markets. Our June three-month moving average share of 36.9% is above both our 12-month moving share and the 2011 results, and 1.4 share points above the 2010 share level.

(SLIDE 28.)

Free cash flow declined in the second quarter by $703 million to $3.2 billion. Unfavorable currency movements were responsible for over half this decrease. In addition, we built up finished goods stock in Brazil and Russia, and working capital consequently increased by $388 million. This will be reversed during the third quarter when this inventory is sold.

(SLIDE 29.)

During the second quarter, we spent a further $1.5 billion to repurchase 17.8 million shares. In June, the Board approved a new three-year $18 billion share repurchase program, which will start in August when funds from the previous program will have been fully utilized ahead of schedule. Our target remains to spend $6 billion on share repurchases this year.

Since the spin through the end of June this year, we spent $24.4 billion to repurchase 449.9 million shares, representing 21.3% of our shares outstanding at the time of the spin, at an average price of $54.21.

(SLIDE 30.)

In conclusion, the second quarter of 2012 was, as expected, a very strong one in terms of underlying business momentum, but a challenging one in terms of reported results due to the Japan hurdle and unfavorable currency movements.

As we foresaw during our June Investor Day, EEMA and Asia Region results were very strong in the second quarter, enabling us to offset unusually weak cigarette industry volume in the EU Region.

The breadth of our geographic footprint, the continued strong pricing environment based on our superior brand portfolio, and productivity gains enabled us to grow both net revenues and adjusted OCI in the second quarter, excluding currency and acquisitions.

Adjusted diluted EPS, excluding currency, increased by 9.0% in the second quarter. If the ten cents hurdle related to Japan were excluded, the increase in adjusted diluted EPS, excluding currency, was a very substantial 17.7%, confirming the overall strength of our business.

We have reaffirmed today our 2012 reported diluted EPS guidance of $5.10 to $5.20. Compared to adjusted diluted EPS of $4.88 in 2011, this represents a growth rate of approximately 10% to 12%, excluding currency.

(SLIDE 31.)

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

2012 Second-Quarter Results

July 19, 2012

Introduction

- Unless otherwise stated, we will be talking about results for the second-quarter 2012 and comparing them with the same period in 2011
- 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 webcast slides and are posted on our web site

Forward-Looking and Cautionary Statements

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- This presentation and related discussion contain forward-looking statements. Achievement of projected results is subject to risks, uncertainties and inaccurate assumptions, and PMI is identifying important factors that, individually or in the aggregate, could cause actual results to differ materially from those contained in any forward-looking statements made by PMI
- PMI's business risks include: significant increases in cigarette-related taxes; the imposition of discriminatory excise tax structures; fluctuations in customer inventory levels due to increases in product taxes and prices; increasing marketing and regulatory restrictions, often with the goal of preventing the use of tobacco products; health concerns relating to the use of tobacco products and exposure to environmental tobacco smoke; litigation related to tobacco use; intense competition; the effects of global and individual country economic, regulatory and political developments; changes in adult smoker behavior; lost revenues as a result of counterfeiting, contraband and cross-border purchases; governmental investigations; unfavorable currency exchange rates and currency devaluations; adverse changes in applicable corporate tax laws; adverse changes in the cost and quality of tobacco and other agricultural products and raw materials; and the integrity of its information systems. PMI's future profitability may also be adversely affected should it be unsuccessful in its attempts to produce products with the potential to reduce the risk of smoking-related diseases; if it is unable to successfully introduce new products, promote brand equity, enter new markets or improve its margins through increased prices and productivity gains; if it is unable to expand its brand portfolio internally or through acquisitions and the development of strategic business relationships; or if it is unable to attract and retain the best global talent
- 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, 2012. PMI cautions that the foregoing list of important factors is not a complete discussion of all potential risks and uncertainties. PMI does not undertake to update any forward-looking statement that it may make from time to time, except in the normal course of its public disclosure obligations

Strong Underlying Business Results in Q2, 2012

PHILIP MORRIS INTERNATIONAL

- Organic cigarette volume down by 1.2%
- Organic cigarette volume, excluding Japan hurdle, up by 1.4%
- Organic OTP volume up by 11.8%

Note: OTP stands for other tobacco products, including cigars, cigarillos, fine cut, pipe tobacco and snus. Fine cut converted to cigarette equivalents based on conversion ratio of 1 unit = 0.75g
Source: PMI Financials

Strong Underlying Business Results in Q2, 2012

PHILIP MORRIS INTERNATIONAL

- Organic cigarette volume down by 1.2%
- Organic cigarette volume, excluding Japan hurdle, up by 1.4%
- Organic OTP volume up by 11.8%
- Net revenues, excluding currency and acquisitions, up by 2.9%
- Adjusted OCI, excluding currency and acquisitions, up by 3.5%

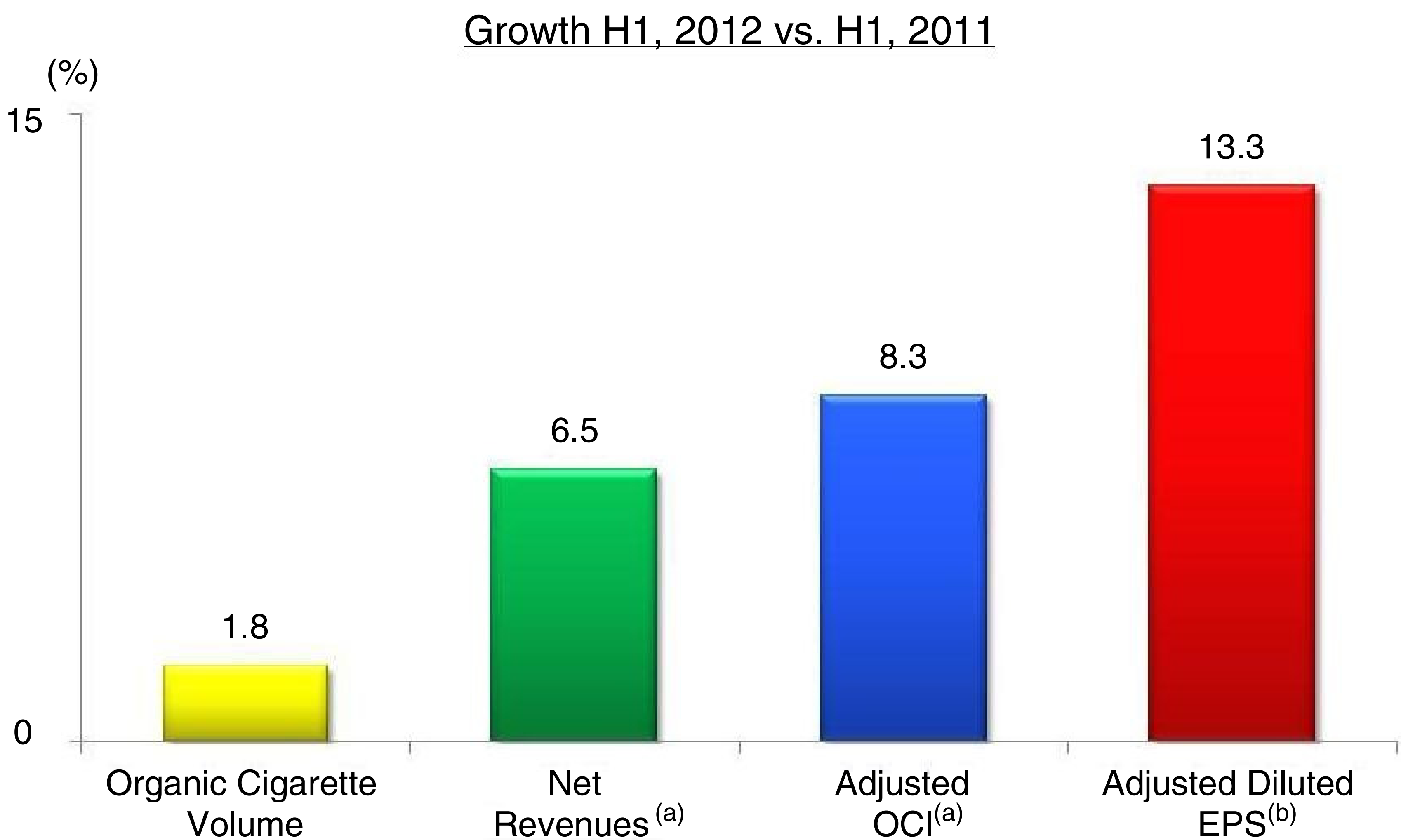
Note: OTP stands for other tobacco products, including cigars, cigarillos, fine cut, pipe tobacco and snus. Fine cut converted to cigarette equivalents based on conversion ratio of 1 unit = 0.75g
Source: PMI Financials

Strong Underlying Business Results in Q2, 2012

- Organic cigarette volume down by 1.2%
- Organic cigarette volume, excluding Japan hurdle, up by 1.4%
- Organic OTP volume up by 11.8%
- Net revenues, excluding currency and acquisitions, up by 2.9%
- Adjusted OCI, excluding currency and acquisitions, up by 3.5%
- Adjusted diluted EPS, excluding currency, up by 9.0%
- Adjusted diluted EPS, excluding currency and Japan hurdle, up by 17.7%

Note: OTP stands for other tobacco products, including cigars, cigarillos, fine cut, pipe tobacco and snus. Fine cut converted to cigarette equivalents based on conversion ratio of 1 unit = 0.75g
Source: PMI Financials

Excellent First-Half 2012 Results



(a) Excluding currency and acquisitions
(b) Excluding currency
Source: PMI Financials

2012 EPS Guidance

- These results confirm our expectation of solid organic cigarette volume growth in 2012
- Continued strong pricing and a favorable product mix only partially offset by an unfavorable geographic mix
- At current prevailing exchange rates, forecast currency headwind slightly above the 25 cents per share predicted in June for full year
- Strong underlying business momentum expected to offset the additional unfavorable currency impact of 2 cents per share

Source: PMI forecasts

2012 EPS Guidance

- Reported diluted 2012 EPS guidance range reaffirmed at $5.10 to $5.20, compared to $4.85 in 2011
- On a currency-neutral basis, our guidance implies a forecast growth rate of approximately 10% to 12%, compared to adjusted diluted EPS of $4.88 in 2011

Source: PMI forecasts

EU Region: Cigarette Industry Volume Under Considerable Pressure

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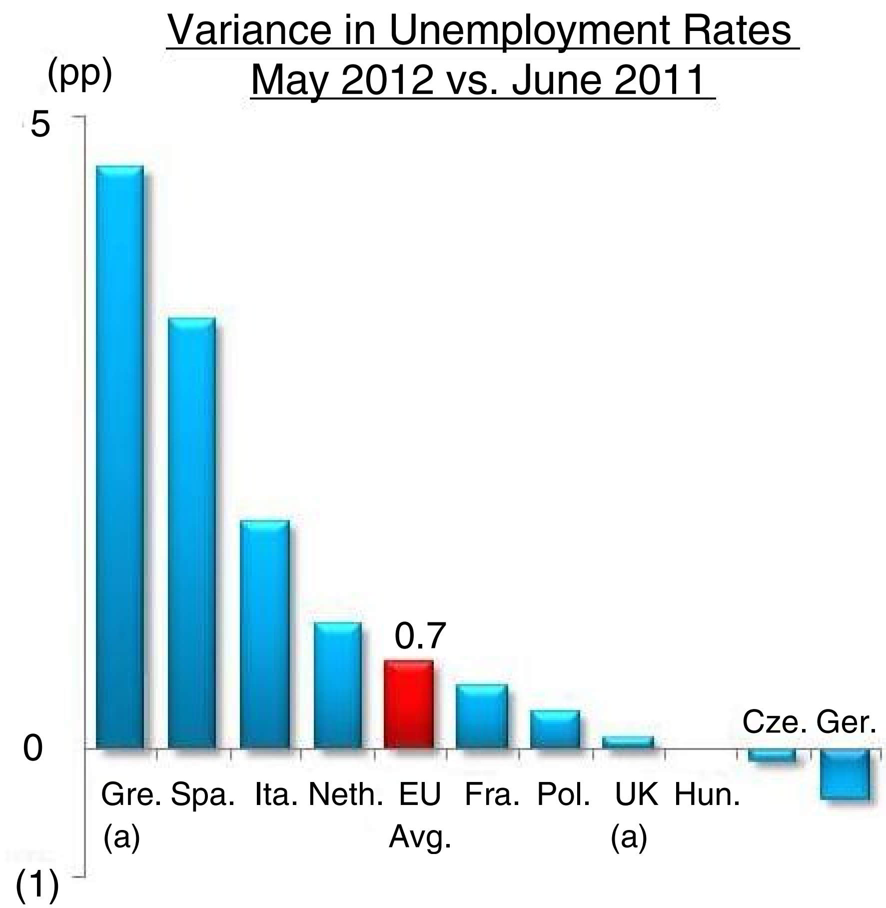
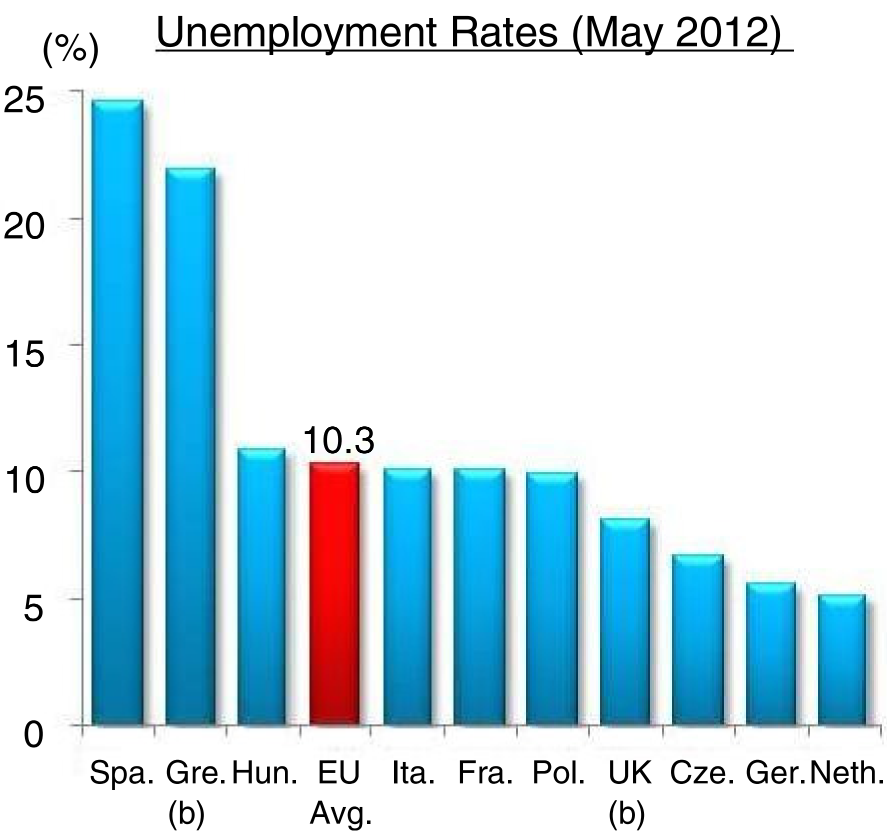
	% Change	
	Q2, 2012	H1, 2012
Greece	(16.8)	(18.9)
Hungary	(16.0)	(10.9)
Spain	(18.0)	(10.0)
Italy	(10.5)	(8.5)
Netherlands	(5.7)	(6.0)
EU Region	**(9.7)**	**(5.8)**
France	(5.9)	(4.0)
Poland	(7.7)	(3.7)
Czech Republic	(4.2)	(3.6)
UK	(6.0)	(3.1)
Germany	(5.1)	(1.3)

Source: PMI estimates

EU Region: Deteriorating Job Market





(a) March 2012 vs. June 2011
(b) March 2012
Note: Gre. is Greece, Spa. is Spain, Ita. is Italy, Neth. is Netherlands, EU Avg. is EU average, Fra. is France, Pol. is Poland, Hun. is Hungary, Cze. is Czech Republic and Ger. is Germany
Source: Eurostat

EU Region: Resilient Cigarette Market Shares

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			Variance vs. PY	
	Q2, 2012	H1, 2012	Q2, 2012	H1, 2012
Total PMI	38.5%	37.9%	(0.2)pp	(0.4)pp
Marlboro	18.4	18.0	0.3	0.1
L&M	6.6	6.6	(0.2)	-
Chesterfield	3.5	3.4	0.3	0.4

Source: PMI estimates

EU Region: PMI Gaining Share in Expanding Fine Cut Category

			Variance vs. PY	
	Q2, 2012	H1, 2012	Q2, 2012	H1, 2012
Industry Volume (units billion)	30.9	59.3	7.9%	7.7%
PMI Share (%)	14.1	14.0	1.4pp	1.7pp

Note: Fine cut converted to cigarette equivalents based on conversion ratio of 1 unit = 0.75g
Source: PMI estimates

Italy: Increased Pressure due to Weak Economy

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- Cigarette industry volume declined by 10.5% in Q2, 2012:
  - Reduced consumer purchasing power
  - Impact of price increases
  - Substitution by fine cut
  - Increase in illicit trade
- *Marlboro* performing strongly with share up in Q2, 2012
- PMI overall share down despite launch of *Philip Morris Selection* in low-price segment
- Fine cut leadership

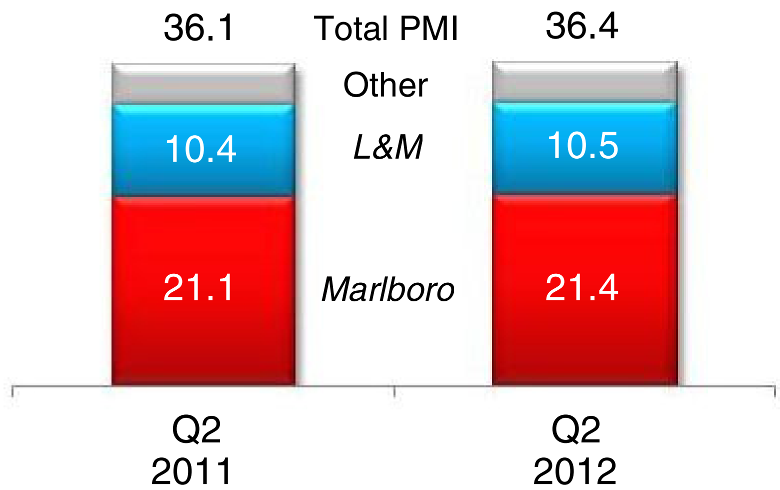
	Market Shares		Variance vs. PY	
	Q2 2012	H1 2012	Q2	H1
Cigarettes				
Marlboro	23.0%	22.6%	0.3 pp	- pp
Chesterfield	3.5	3.5	(0.2)	(0.2)
Diana	12.4	12.6	(0.8)	(0.7)
Other	14.0	14.1	0.2	0.2
Total PMI	**52.9**	**52.8**	**(0.5)**	**(0.6)**
Fine Cut				
Total PMI	**31.0**	**29.8**	**24.5**	**26.0**

Note: Totals may not add up due to rounding
Source: PMI estimates

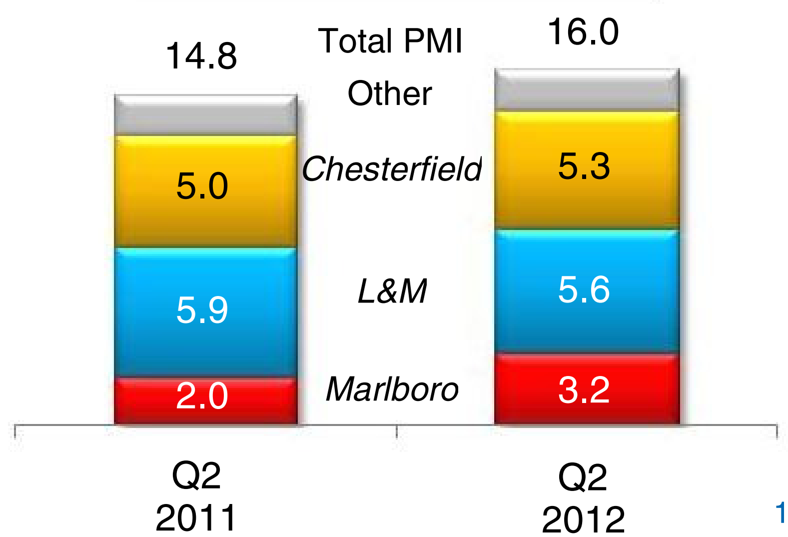
Germany: Positive PMI Share Momentum

- Cigarette industry volume declined by 5.1% in Q2, 2012:
  - Recent price increases
  - Lower consumer confidence
  - Difficult comparison with 2011
  - Some timing issues
- Cigarette industry volume down by 1.3% YTD June, 2012
- PMI achieved modest share gains in cigarette category and continued strong momentum in fine cut
- *Marlboro* gained share in both cigarettes and fine cut in Q2, 2012

PMI Cigarette Market Share (%)



PMI Fine Cut Market Share (%)



Source: PMI estimates

EU Region: Weaker Results in Q2, 2012

	Q2, 2012	H1, 2012	Variance vs. PY Q2, 2012	Variance vs. PY H1, 2012
Cigarette Volume (units billion)	51.8	99.6	(9.4)%	(5.8)%
OTP Volume (units billion)	4.7	9.1	18.2	23.1
Net Revenues ($ billion)	2.3	4.3	(0.7) [a]	2.0 [a]
Adjusted OCI ($ billion)	1.1	2.1	(2.7) [a]	0.2 [a]

(a) Excluding currency and acquisitions

Note: OTP stands for other tobacco products, including cigars, cigarillos, fine cut, pipe tobacco and snus. Fine cut converted to cigarette equivalents based on conversion ratio of 1 unit = 0.75g

Source: PMI Financials

EEMA Region: Another Very Strong Quarter

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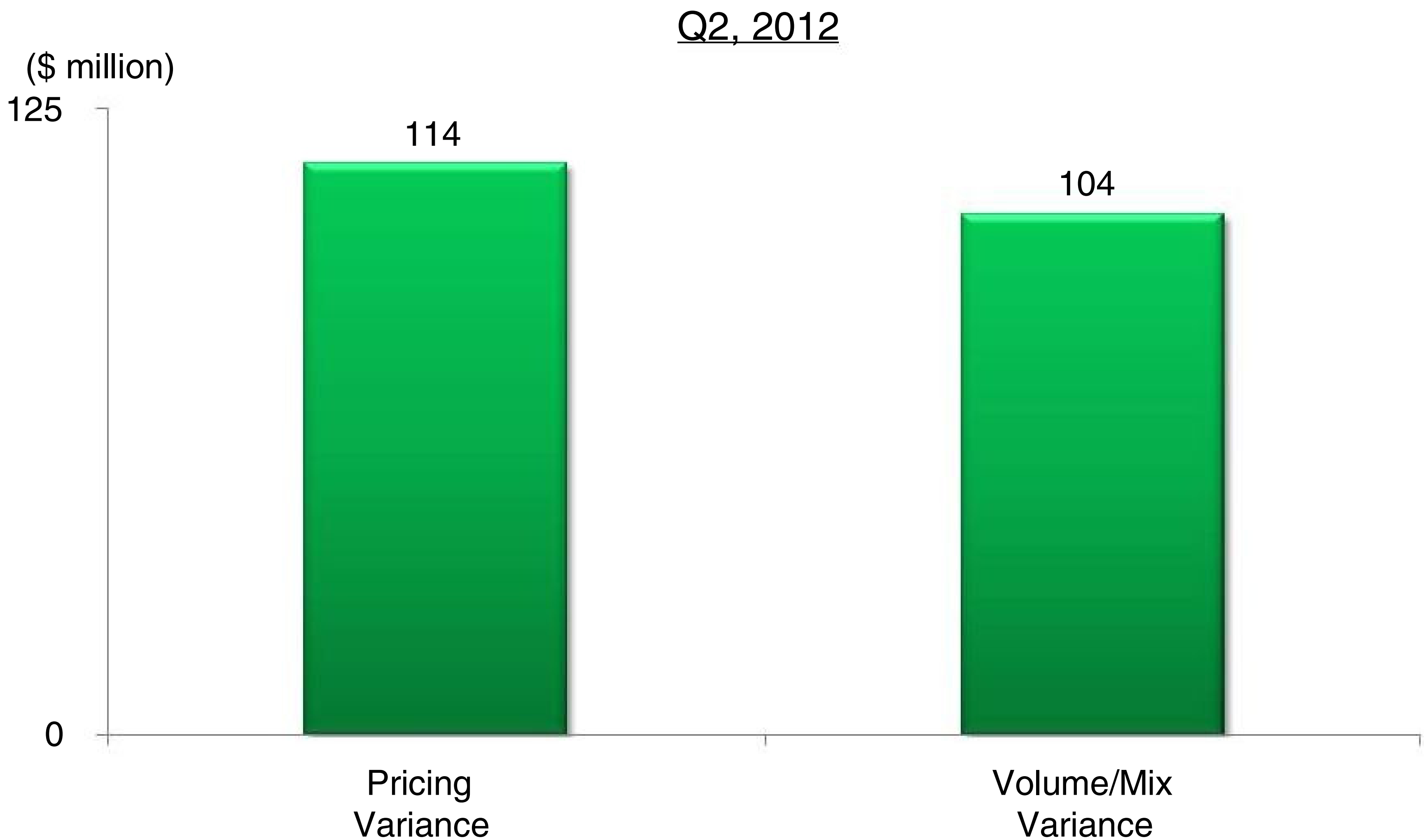
	Q2, 2012	H1, 2012	Variance vs. PY Q2, 2012	Variance vs. PY H1, 2012
Cigarette Volume (units billion)	79.2	145.1	4.9% [a]	4.2% [a]
Net Revenues ($ billion)	2.2	4.0	12.7 [b]	12.6 [b]
Adjusted OCI ($ billion)	0.9	1.8	22.9 [b]	20.6 [b]

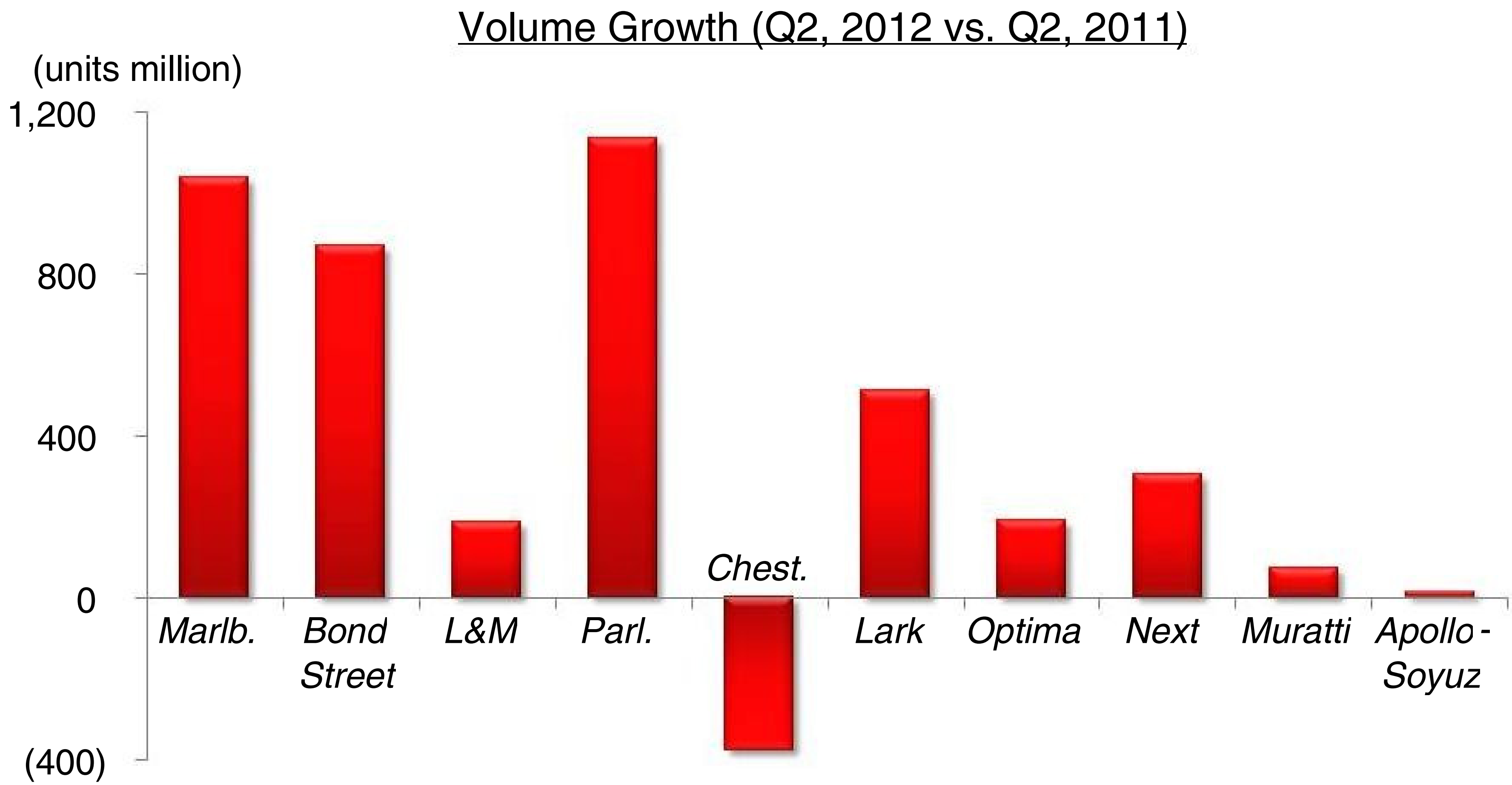
(a) Excluding acquisitions
(b) Excluding currency and acquisitions
Source: PMI Financials

EEMA Region: Positive Pricing and Volume/Mix



Note: Variances at OCI level
Source: PMI Financials

EEMA Region: Growth of Key Brands

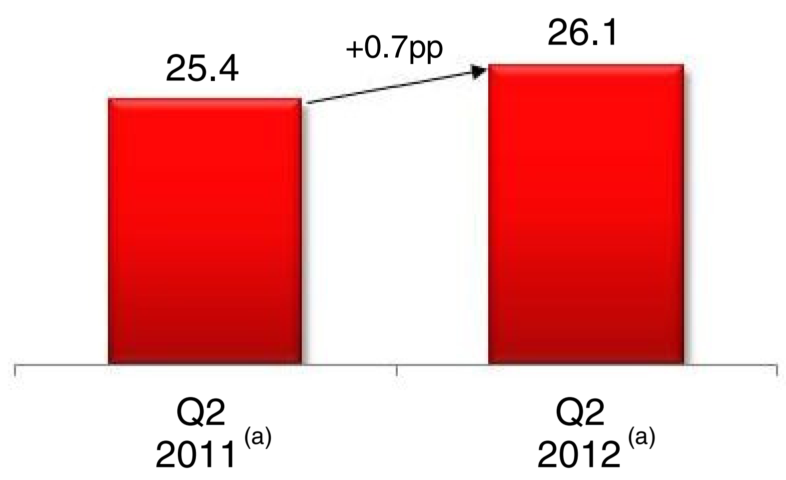


Note: *Marlb.* is *Marlboro, Parl.* is *Parliament* and *Chest.* is *Chesterfield*
Source: PMI Financials

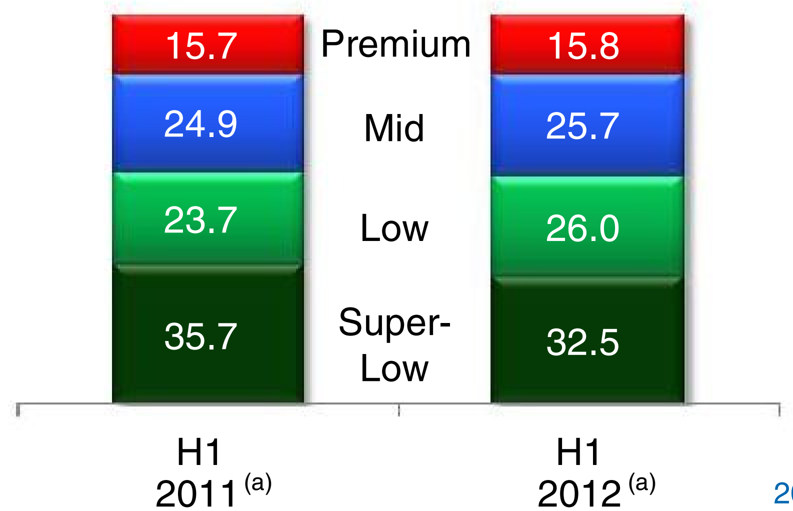
Russia: Market and Share Growth

- Total market grew slightly during first half of 2012
- PMI volume increased by 8.7% in Q2, 2012
- Adult smokers continue to uptrade gradually
- PMI market share gains QTD May thanks to *Parliament*, *L&M*, *Bond Street* and *Next*
- Price increase of RUB 3/pack in July 2012

PMI Market Share (%)



Price Segments (%)



(a) Q2 and H1 data through end May

Source: PMI estimates, PMI Financials and Nielsen

Russia: *Marlboro ClearTaste* Launched

Asia Region: Japan Hurdle Masks Another Very Strong Quarter

PHILIP MORRIS INTERNATIONAL

	Q2, 2012	H1, 2012	Variance vs. PY Q2, 2012	Variance vs. PY H1, 2012
Cigarette Volume (units billion)	83.5	164.5	(0.7)%	5.4 %
Cigarette Volume ex. Japan Hurdle			7.4	9.8
Adjusted OCI ($ billion)	1.4	2.8	(2.6) [(a)]	8.9 [(a)]

(a) Excluding currency and acquisitions
Source: PMI Financials

Japan: Resilient Share Performance

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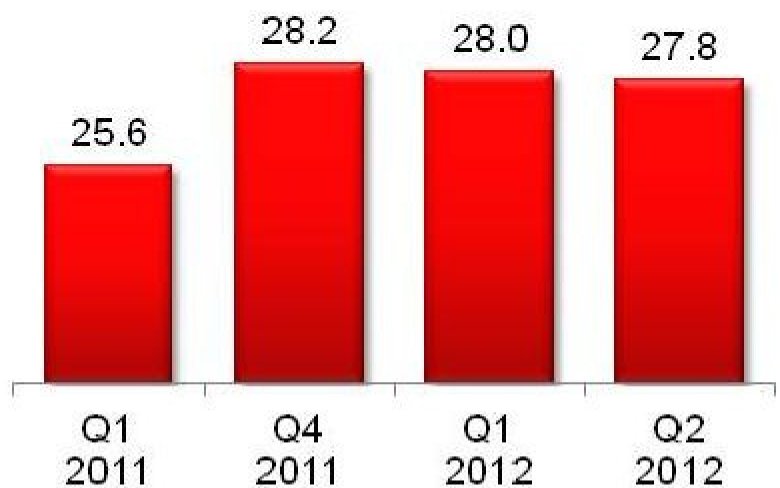
- Industry volume should be stable in 2012 and underlying trend remains a moderate decline of 1-2% per year
- PMI Q2, 2012 market share slightly down due to acceleration in new launches by Japan Tobacco
- *Marlboro Black Menthol Edge* launched in Q2, 2012
- *Marlboro Ice Blast* 5mg / 1mg launched this July
- Increase of Consumption Tax from 5% to 8% in 2014 and 10% in 2015 approved

PMI Market Share (%)

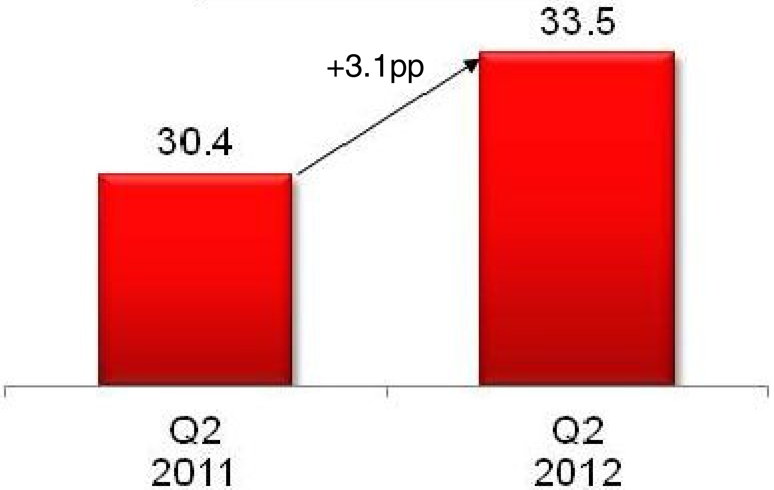


Source: PMI estimates and Tobacco Institute of Japan

Indonesia: PMI Momentum Continues

- Industry volume growth of 6.9% in Q2, 2012
- PMI volume increased by 17.8% in second quarter
- Adult smokers uptrading in strong economy
- PMI share up 3.1 points to 33.5% in Q2, 2012:
  - Strongest and broadest portfolio
  - *Sampoerna A* fastest-growing brand
  - Rounded price points

PMI Market Share (%)

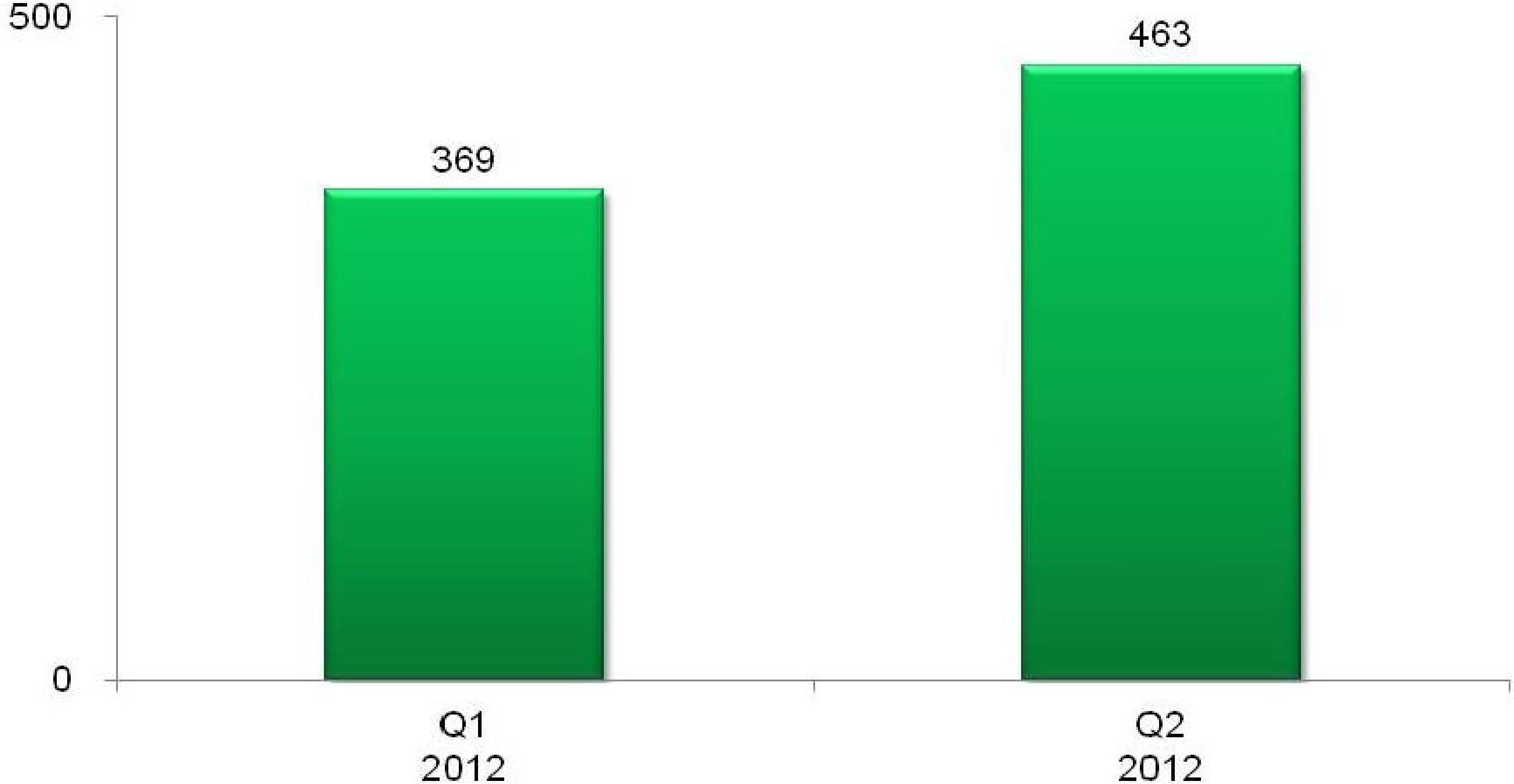


Price Segments (%)

(a) Includes above premium

Source: PMI estimates and PMI Financials

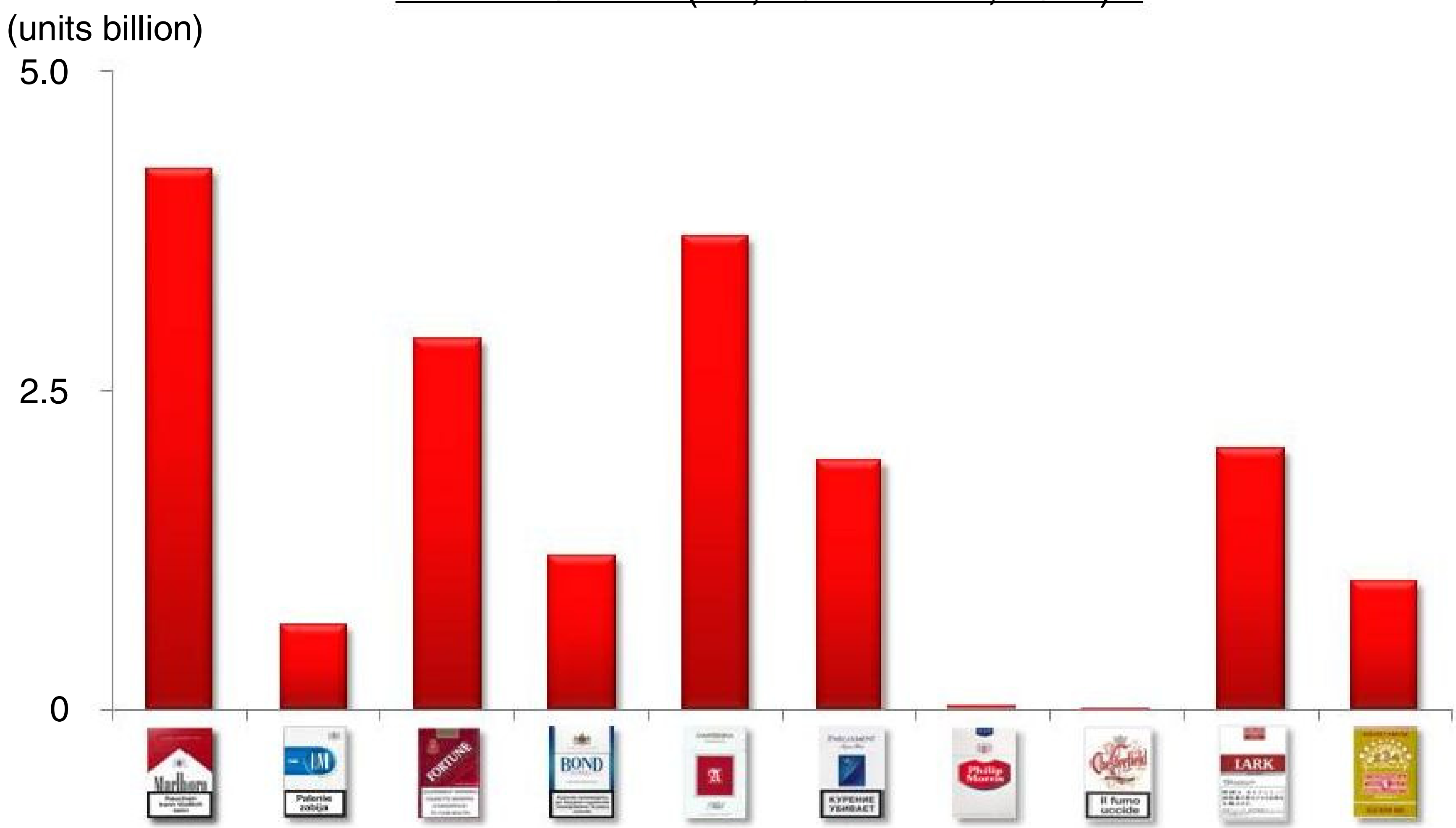
Favorable Pricing Continued in Q2, 2012



Note: Variances at OCI level
Source: PMI Financials

Strong Brand Performance Continues

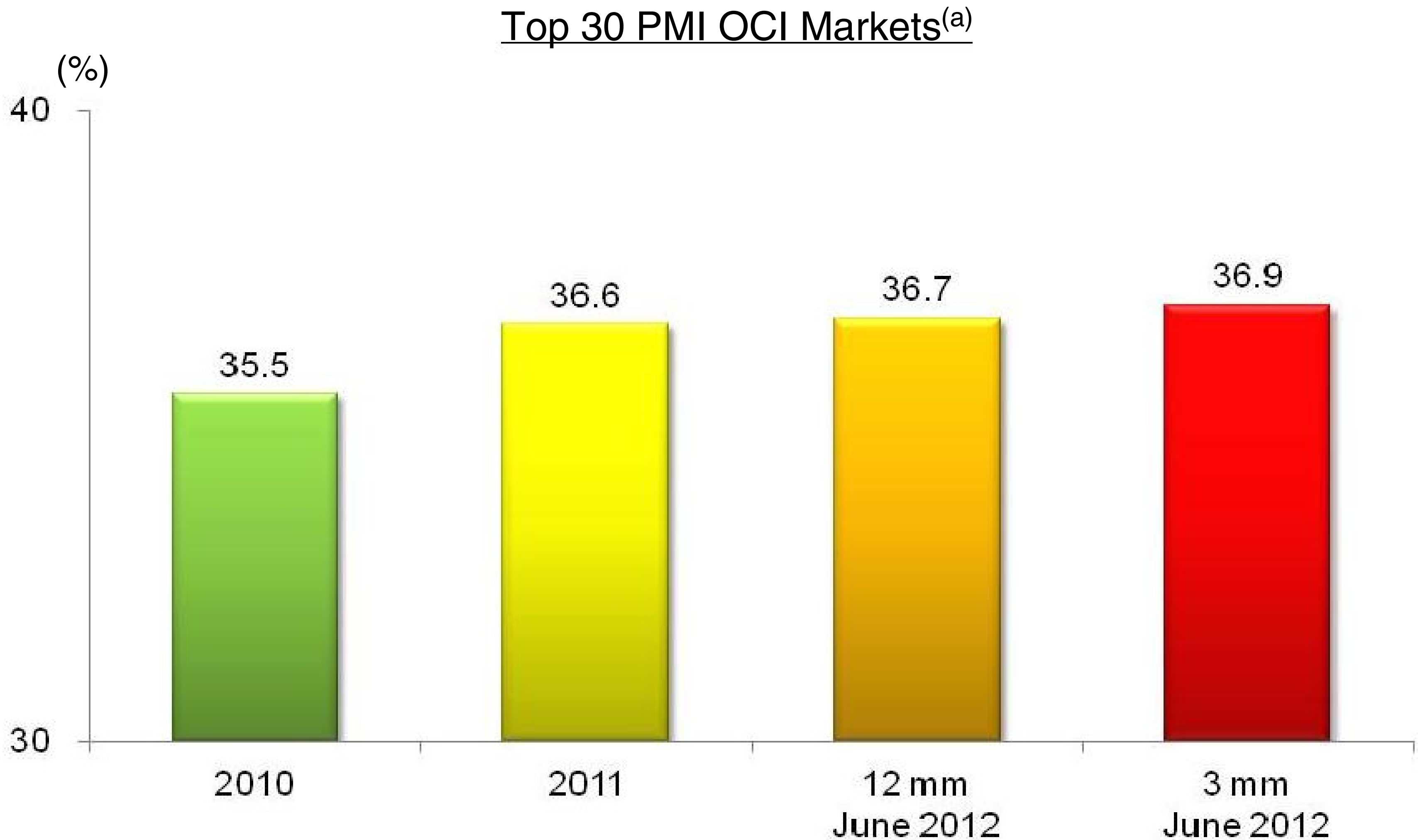
Volume Growth (H1, 2012 vs. H1, 2011)[a]



(a) Excluding Japan hurdle
Source: PMI Financials

PMI Expanding its Market Share

PHILIP MORRIS INTERNATIONAL



(a) Excluding duty free

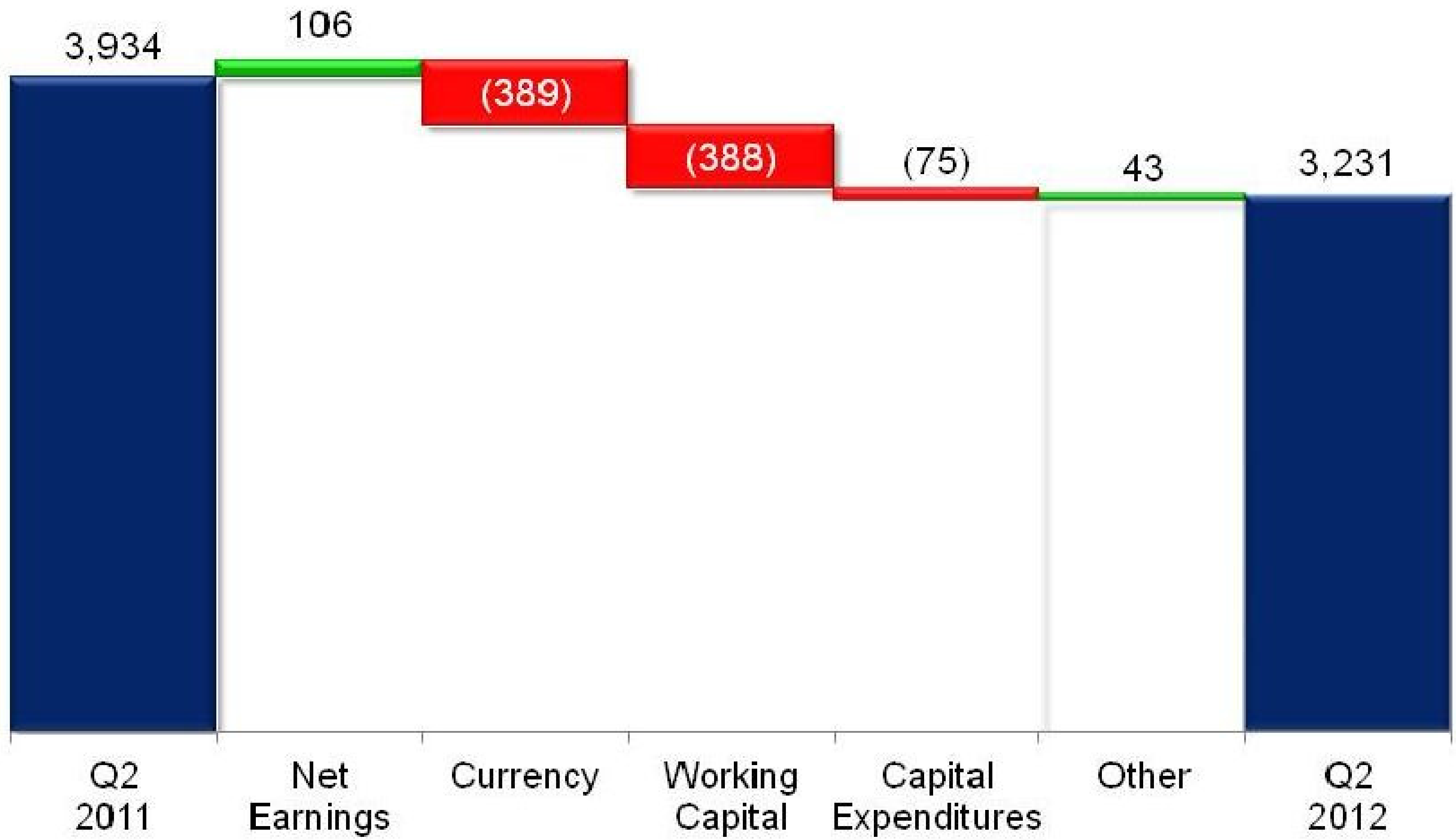
Note: Historical data adjusted for pro forma inclusion of business combination with Fortune Tobacco Corporation in the Philippines and Jordan acquisition

Source: PMI Financials and PMI estimates

Free Cash Flow[a] Impacted by Currency and Working Capital Requirements

PHILIP MORRIS INTERNATIONAL

($ million)



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

Share Repurchase Program Further Extended

- In Q2, 2012, PMI spent $1.5 billion to repurchase 17.8 million shares
- New three-year $18 billion share repurchase program to start in August when funds from previous authorization fully utilized
- Target for 2012 remains $6 billion in share repurchases
- Since spin, $24.4 billion spent to repurchase 21.3% of shares outstanding at the time

Source: PMI Financials

Conclusion

PHILIP MORRIS INTERNATIONAL

- Underlying business momentum remains strong
- Very strong results in EEMA and Asia Regions offset unusually weak industry volume in EU Region and the Japan hurdle
- Breadth of footprint, superior brand portfolio and continued strong pricing environment driving growth
- Net revenues and adjusted OCI increased in Q2, 2012, excluding currency and acquisitions
- Adjusted diluted EPS, excluding currency, up 9.0% in Q2, 2012
- Reaffirmed guidance range of $5.10 to $5.20 for reported diluted EPS in 2012, despite slightly greater currency unfavorability
- This represents a growth rate of approximately 10% to 12% on a currency-neutral basis, compared to adjusted diluted EPS of $4.88 in 2011

Source: PMI Financials

PHILIP MORRIS INTERNATIONAL

2012 Second-Quarter Results

Questions & Answers

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

PHILIP MORRIS INTERNATIONAL

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

2012 Reported Net Revenues	2012 Less Excise Taxes	2012 Reported Net Revenues excluding Excise Taxes	2012 Less Currency	2012 Reported Net Revenues excluding Excise Taxes & Currency	2012 Less Acquisitions	2012 Reported Net Revenues excluding Excise Taxes, Currency & Acquisitions		2011 Reported Net Revenues	2011 Less Excise Taxes	2011 Reported Net Revenues excluding Excise Taxes	% Change in Reported Net Revenues excluding Excise Taxes: Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions
$ 7,280	$ 4,995	$ 2,285	$ (195)	$ 2,480	$ -	$ 2,480	European Union	$ 8,080	$ 5,583	$ 2,497	(8.5)%	(0.7)%	(0.7)%
5,062	2,911	2,151	(127)	2,278	11	2,267	EEMA	4,603	2,591	2,012	6.9%	13.2%	12.7%
5,317	2,462	2,855	(29)	2,884	-	2,884	Asia	5,146	2,210	2,936	(2.8)%	(1.8)%	(1.8)%
2,378	1,549	829	(51)	880	-	880	Latin America & Canada	2,405	1,577	828	0.1%	6.3%	6.3%
$ 20,037	**$ 11,917**	**$ 8,120**	**$ (402)**	**$ 8,522**	**$ 11**	**$ 8,511**	**PMI Total**	**$ 20,234**	**$ 11,961**	**$ 8,273**	**(1.8)%**	**3.0%**	**2.9%**

2012 Reported Operating Companies Income	2012 Less Currency	2012 Reported Operating Companies Income excluding Currency	2012 Less Acquisitions	2012 Reported Operating Companies Income excluding Currency & Acquisitions		2011 Reported Operating Companies Income	% Change in Reported Operating Companies Income: Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions
$ 1,117	$ (130)	$ 1,247	$ -	$ 1,247		$ 1,280	(12.7)%	(2.6)%	(2.6)%
948	(80)	1,028	2	1,026		835	13.5%	23.1%	22.9%
1,364	3	1,361	-	1,361		1,398	(2.4)%	(2.6)%	(2.6)%
249	(25)	274	-	274		268	(7.1)%	2.2%	2.2%
$ 3,678	**$ (232)**	**$ 3,910**	**$ 2**	**$ 3,908**		**$ 3,781**	**(2.7)%**	**3.4%**	**3.4%**

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)

2012								2011			% 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**
$ 1,117	$ -	$ 1,117	$ (130)	$ 1,247	$ -	$ 1,247	European Union	$ 1,280	$ (1)	$ 1,281	(12.8)%	(2.7)%	(2.7)%
948	-	948	(80)	1,028	2	1,026	EEMA	835	-	835	13.5%	23.1%	22.9%
1,364	-	1,364	3	1,361	-	1,361	Asia	1,398	-	1,398	(2.4)%	(2.6)%	(2.6)%
249	(8)	257	(25)	282	-	282	Latin America & Canada	268	-	268	(4.1)%	5.2%	5.2%
$ 3,678	**$ (8)**	**$ 3,686**	**$ (232)**	**$ 3,918**	**$ 2**	**$ 3,916**	**PMI Total**	**$ 3,781**	**$ (1)**	**$ 3,782**	**(2.5)%**	**3.6%**	**3.5%**

2012							2011			% 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**
$ 1,247	$ 2,480	50.3%	$ 1,247	$ 2,480	50.3%	European Union	$ 1,281	$ 2,497	51.3%	(1.0)	(1.0)
1,028	2,278	45.1%	1,026	2,267	45.3%	EEMA	835	2,012	41.5%	3.6	3.8
1,361	2,884	47.2%	1,361	2,884	47.2%	Asia	1,398	2,936	47.6%	(0.4)	(0.4)
282	880	32.0%	282	880	32.0%	Latin America & Canada	268	828	32.4%	(0.4)	(0.4)
$ 3,918	**$ 8,522**	**46.0%**	**$ 3,916**	**$ 8,511**	**46.0%**	**PMI Total**	**$ 3,782**	**$ 8,273**	**45.7%**	**0.3**	**0.3**

(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)

	2012		2011		% Change
Reported Diluted EPS	**$**	**1.36**	**$**	**1.35**	**0.7%**
Adjustments:					
Asset impairment and exit costs		-		-	
Tax items		-		(0.01)	
Adjusted Diluted EPS	**$**	**1.36**	**$**	**1.34**	**1.5%**
Less:					
Currency impact		(0.10)			
Adjusted Diluted EPS, excluding Currency	**$**	**1.46**	**$**	**1.34**	**9.0%**

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)

	2012	2011	% Change
Reported Diluted EPS	**$ 1.36**	**$ 1.35**	**0.7%**
Less:			
Currency impact	(0.10)		
Reported Diluted EPS, excluding Currency	**$ 1.46**	**$ 1.35**	**8.1%**

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)

2012								2011			% 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
$ 13,750	$ 9,412	$ 4,338	$ (249)	$ 4,587	$ -	$ 4,587	European Union	$ 14,495	$ 9,997	$ 4,498	(3.6)%	2.0%	2.0%
9,131	5,145	3,986	(200)	4,186	20	4,166	EEMA	8,274	4,575	3,699	7.8%	13.2%	12.6%
10,494	4,862	5,632	45	5,587	1	5,586	Asia	9,434	4,175	5,259	7.1%	6.2%	6.2%
4,684	3,072	1,612	(90)	1,702	-	1,702	Latin America & Canada	4,561	2,953	1,608	0.2%	5.8%	5.8%
$ 38,059	**$ 22,491**	**$ 15,568**	**$ (494)**	**$ 16,062**	**$ 21**	**$ 16,041**	**PMI Total**	**$ 36,764**	**$ 21,700**	**$ 15,064**	**3.3%**	**6.6%**	**6.5%**

2012						2011	% 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
$ 2,147	$ (155)	$ 2,302	$ -	$ 2,302	European Union	$ 2,286	(6.1)%	0.7%	0.7%
1,758	(124)	1,882	2	1,880	EEMA	1,557	12.9%	20.9%	20.7%
2,771	56	2,715	-	2,715	Asia	2,491	11.2%	9.0%	9.0%
486	(42)	528	-	528	Latin America & Canada	519	(6.4)%	1.7%	1.7%
$ 7,162	**$ (265)**	**$ 7,427**	**$ 2**	**$ 7,425**	**PMI Total**	**$ 6,853**	**4.5%**	**8.4%**	**8.3%**

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 Six Months Ended June 30,
($ in millions)
(Unaudited)

2012								2011			% 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 Acquisitions	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
$ 2,147	$ -	$ 2,147	$ (155)	$ 2,302	$ -	$ 2,302	European Union	$ 2,286	$ (12)	$ 2,298	(6.6)%	0.2%	0.2%
1,758	-	1,758	(124)	1,882	2	1,880	EEMA	1,557	(2)	1,559	12.8%	20.7%	20.6%
2,771	-	2,771	56	2,715	-	2,715	Asia	2,491	(2)	2,493	11.2%	8.9%	8.9%
486	(16)	502	(42)	544	-	544	Latin America & Canada	519	(1)	520	(3.5)%	4.6%	4.6%
$ 7,162	**$ (16)**	**$ 7,178**	**$ (265)**	**$ 7,443**	**$ 2**	**$ 7,441**	**PMI Total**	**$ 6,853**	**$ (17)**	**$ 6,870**	**4.5%**	**8.3%**	**8.3%**

2012							2011			% 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
$ 2,302	$ 4,587	50.2%	$ 2,302	$ 4,587	50.2%	European Union	$ 2,298	$ 4,498	51.1%	(0.9)	(0.9)
1,882	4,186	45.0%	1,880	4,166	45.1%	EEMA	1,559	3,699	42.1%	2.9	3.0
2,715	5,587	48.6%	2,715	5,586	48.6%	Asia	2,493	5,259	47.4%	1.2	1.2
544	1,702	32.0%	544	1,702	32.0%	Latin America & Canada	520	1,608	32.3%	(0.3)	(0.3)
$ 7,443	**$ 16,062**	**46.3%**	**$ 7,441**	**$ 16,041**	**46.4%**	**PMI Total**	**$ 6,870**	**$ 15,064**	**45.6%**	**0.7**	**0.8**

(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 Six Months Ended June 30,
(Unaudited)

	2012		2011		% Change
Reported Diluted EPS	**$**	**2.60**	**$**	**2.42**	**7.4%**
Adjustments:					
Asset impairment and exit costs		0.01		0.01	
Tax items		-		(0.02)	
Adjusted Diluted EPS	**$**	**2.61**	**$**	**2.41**	**8.3%**
Less:					
Currency impact		(0.12)			
Adjusted Diluted EPS, excluding Currency	**$**	**2.73**	**$**	**2.41**	**13.3%**

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

PHILIP MORRIS INTERNATIONAL

Reconciliation of Reported Diluted EPS to Reported Diluted EPS, excluding Currency
For the Six Months Ended June 30,
(Unaudited)

	2012	2011	% Change
Reported Diluted EPS	**$ 2.60**	**$ 2.42**	**7.4%**
Less:			
Currency impact	(0.12)		
Reported Diluted EPS, excluding Currency	**$ 2.72**	**$ 2.42**	**12.4%**

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)

	2011	
Reported Diluted EPS	**$**	**4.85**
Adjustments:		
Asset impairment and exit costs		0.05
Tax items		(0.02)
Adjusted Diluted EPS	**$**	**4.88**

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,			For the Six Months Ended June 30,		
	2012	2011	% Change	2012	2011	% Change
Net cash provided by operating activities [(a)]	**$ 3,480**	**$ 4,120**	**(15.5)%**	**$ 5,378**	**$ 6,515**	**(17.5)%**
Less:						
Capital expenditures	249	186		476	345	
Free cash flow	**$ 3,231**	**$ 3,934**	**(17.9)%**	**$ 4,902**	**$ 6,170**	**(20.6)%**
Less:						
Currency impact	(389)			(439)		
Free cash flow, excluding currency	**$ 3,620**	**$ 3,934**	**(8.0)%**	**$ 5,341**	**$ 6,170**	**(13.4)%**

(a) Operating Cash Flow

PHILIP MORRIS INTERNATIONAL

2012 Second-Quarter Results

July 19, 2012