Subject: ACCEPTED FORM TYPE 8-K (0001193125-12-426726)
Date: 18-Oct-2012 08:57

THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: Philip Morris International Inc.
FORM TYPE: 8-K NUMBER OF DOCUMENTS: 48
RECEIVED DATE: 18-Oct-2012 08:57 ACCEPTED DATE: 18-Oct-2012 08:57
FILING DATE: 18-Oct-2012 08:57
TEST FILING: NO CONFIRMING COPY: NO

ACCESSION NUMBER: 0001193125-12-426726

FILE NUMBER(S):
1. 001-33708

THE PASSWORD FOR LOGIN CIK 0001193125 WILL EXPIRE 09-Feb-2013 13:14.

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): October 18, 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 October 18, 2012, Philip Morris International Inc. (the "Company") issued a press release announcing its financial results for the quarter ended September 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 October 18, 2012 (furnished pursuant to Item 2.02)

99.2 Conference Call Transcript dated October 18, 2012 (furnished pursuant to Item 2.02)

99.3 Webcast Slides dated October 18, 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: October 18, 2012

EXHIBIT INDEX

Exhibit No.	Description
99.1	Philip Morris International Inc. Press Release dated October 18, 2012 (furnished pursuant to Item 2.02)
99.2	Conference Call Transcript dated October 18, 2012 (furnished pursuant to Item 2.02)
99.3	Webcast Slides dated October 18, 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 THIRD-QUARTER RESULTS; NARROWS 2012 REPORTED DILUTED EPS GUIDANCE TO A RANGE OF $5.12 TO $5.18

Third-Quarter 2012

- Reported diluted earnings per share of $1.32, down by 2.2% versus $1.35 in 2011
  - Excluding currency, reported diluted earnings per share of $1.39 up by 3.0%
- Adjusted diluted earnings per share of $1.38, up by 0.7% versus $1.37 in 2011, as detailed in the attached Schedule 12
  - Excluding currency, adjusted diluted earnings per share of $1.45, up by 5.8%
- Cigarette shipment volume down by 1.3%
- Reported net revenues, excluding excise taxes, down by 5.3% to $7.9 billion
  - Excluding currency and acquisitions, reported net revenues, excluding excise taxes, up by 3.4%
- Reported operating companies income down by 1.5% to $3.7 billion
  - Excluding currency and acquisitions, reported operating companies income up by 4.8%
- Adjusted operating companies income, which reflects the items detailed in the attached Schedule 11, down by 1.7% to $3.7 billion
  - Excluding currency and acquisitions, adjusted operating companies income up by 4.5%
- Operating income down by 1.5% to $3.6 billion
- Increased its regular quarterly dividend by 10.4% to an annualized rate of $3.40 per common share
- Repurchased 16.7 million shares of its common stock for $1.5 billion
- Commenced a new three-year share repurchase program of $18 billion

Year-To-Date September 2012

- Reported diluted earnings per share of $3.92, up by 4.3% versus $3.76 in 2011
  - Excluding currency, reported diluted earnings per share of $4.11, up by 9.3%
- Adjusted diluted earnings per share of $3.99, up by 5.8% versus $3.77 in 2011, as detailed in the attached Schedule 16
  - Excluding currency, adjusted diluted earnings per share of $4.18, up by 10.9%
- Cigarette shipment volume up by 0.7%, excluding acquisitions
- Reported net revenues, excluding excise taxes, up by 0.3% to $23.5 billion
  - Excluding currency and acquisitions, reported net revenues, excluding excise taxes, up by 5.4%
- Reported operating companies income up by 2.4% to $10.9 billion
  - Excluding currency and acquisitions, reported operating companies income up by 7.1%
- Adjusted operating companies income, which reflects the items detailed in the attached Schedule 15, up by 2.3% to $10.9 billion
  - Excluding currency and acquisitions, adjusted operating companies income up by 6.9%
- Operating income up by 2.3% to $10.6 billion

Full-Year 2012

- PMI narrows, at prevailing exchange rates, its 2012 full-year reported diluted earnings per share forecast to a range of $5.12 to $5.18 versus $4.85 in 2011
  - Excluding incremental adjustments since the previously announced forecast of July 19, 2012, of $0.05 per share for a net tax expense of $79 million related to the completion of the U.S. Federal Income Tax audit for the years 2004 through 2006, and $0.01 per share for asset impairment and exit costs, the range is forecast to be $5.18 to $5.24
- Excluding a forecasted total unfavorable currency impact of approximately $0.23 for the full-year 2012, which compares favorably by $0.04 per share to the unfavorable full-year currency forecast of $0.27 per share previously announced on July 19, 2012, the reported diluted earnings forecast range of $5.12 to $5.18 per share represents a projected increase of approximately 10.5% to 11.5% versus $4.85 in 2011
- Excluding the unfavorable impact of currency, the aforementioned net tax expense of $0.05 per share and year-to-date asset impairment and exit costs of $0.02 per share, the full-year reported diluted earnings forecast range of $5.12 to $5.18 per share represents a growth rate of approximately 11% to 12% versus adjusted diluted earnings per share of $4.88 in 2011, as detailed in the attached Schedule 20

NEW YORK, October 18, 2012 – Philip Morris International Inc. (NYSE / Euronext Paris: PM) today announced its 2012 third-quarter results.

"Despite the difficult comparisons in the third-quarter, we remain confident that the fundamentals of our business are solid as a whole, which is testament to our progress, especially in our Asia and EEMA Regions," said Louis C. Camilleri, Chairman of the Board and Chief Executive Officer.

"We expect to achieve our annual organic volume growth target of 1% in 2012 and our adjusted diluted EPS growth to be in line with our mid-to-long term constant currency annual growth target."

"We were pleased to announce an increase to our regular quarterly dividend of 10.4% during the quarter. Since the spin-off, we have increased the dividend by 84.8% to an annualized rate of $3.40 per common share."

Conference Call

A conference call, hosted by Jacek Olczak, Chief Financial Officer, with members of the investment community and news media, will be webcast at 9:00 a.m., Eastern Time, on October 18, 2012. Access is available at www.pmi.com.

Dividends and Share Repurchase Program

PMI increased its regular quarterly dividend during the quarter to $0.85, up by 10.4% from $0.77, which represents an annualized rate of $3.40 per common share. Since its spin-off in March 2008, PMI has increased its regular quarterly dividend by 84.8% from the initial annualized rate of $1.84 per common share.

In July 2012, PMI completed ahead of schedule its three-year share repurchase program of $12 billion that began in May 2010, and, in August 2012, initiated a new three-year share repurchase program of

$18 billion. During the quarter, PMI spent $1.5 billion to repurchase 16.7 million shares. On a September year-to-date basis, PMI spent $4.5 billion to repurchase 52.5 million shares, as shown in the table below.

2012 PMI Share Repurchases

	Value ($ Mio.)	Shares 000
$12 billion, three-year program		
January-March	1,500	18,057
April-June	1,535	17,774
July	612	6,861
$18 billion, three-year program		
August-September	893	9,825
Total	**4,540**	**52,517**

Since May 2008, when PMI began its first share repurchase program of $13 billion, which was completed in April 2010, the company has spent an aggregate of $25.9 billion to repurchase 466.6 million shares at an average price of $55.49 per share, or 22.1% of the shares outstanding at the time of the spin-off in March 2008. PMI has a share repurchase target for the full-year 2012 of $6 billion.

2012 Full-Year Forecast

PMI narrows, at prevailing exchange rates, its 2012 full-year reported diluted earnings per share forecast to a range of $5.12 to $5.18 versus $4.85 in 2011. Excluding incremental adjustments since the previously announced forecast of July 19, 2012, of $0.05 per share for a net tax expense of $79 million related to the completion of the U.S. Federal Income Tax audit for the years 2004 through 2006, and $0.01 per share for asset impairment and exit costs, the range is forecast to be $5.18 to $5.24.

Excluding a forecasted total unfavorable currency impact of approximately $0.23 for the full-year 2012, which compares favorably by $0.04 per share to the unfavorable full-year currency forecast of $0.27 per share previously announced on July 19, 2012, the reported diluted earnings forecast range of $5.12 to $5.18 per share represents a projected increase of approximately 10.5% to 11.5% versus $4.85 in 2011.

Excluding the unfavorable impact of currency, the aforementioned net tax expense of $0.05 per share and year-to-date asset impairment and exit costs of $0.02 per share, the full-year reported diluted earnings forecast range of $5.12 to $5.18 per share represents a growth rate of approximately 11% to 12% versus adjusted diluted earnings per share of $4.88 in 2011, as detailed in the attached Schedule 20.

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 THIRD-QUARTER CONSOLIDATED RESULTS

In this press release, "PMI" refers to Philip Morris International Inc. and its subsidiaries. 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. 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, OCI 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, discrete tax items and unusual 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. PMI believes it is appropriate to disclose these measures as they improve comparability and help investors analyze business performance and trends. Non-GAAP measures used in this release should be considered neither in isolation nor as a substitute for the financial measures prepared in accordance with U.S. GAAP. 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)

	Third-Quarter				Nine Months Year-To-Date			
	2012	2011	Change	Excl. Curr.	2012	2011	Change	Excl. Curr.
European Union	$2,125	$2,506	(15.2)%	(1.9)%	$ 6,463	$ 7,004	(7.7)%	0.6%
Eastern Europe, Middle East & Africa	2,207	2,210	(0.1)%	9.4%	6,193	5,909	4.8%	11.8%
Asia	2,761	2,799	(1.4)%	2.4%	8,393	8,058	4.2%	4.9%
Latin America & Canada	827	847	(2.4)%	7.3%	2,439	2,455	(0.7)%	6.4%
Total PMI	**$7,920**	**$8,362**	**(5.3)%**	**3.5%**	**$23,488**	**$23,426**	**0.3%**	**5.5%**

Net revenues of $7.9 billion were down by 5.3% in the quarter, including unfavorable currency of $731 million. Excluding currency and acquisitions, net revenues increased by 3.4%, driven by favorable pricing of $505 million, partly offset by unfavorable volume/mix of $223 million.

OPERATING COMPANIES INCOME

PMI Operating Companies Income ($ Millions)

	Third-Quarter				Nine Months Year-To-Date			
	2012	2011	Change	Excl. Curr.	2012	2011	Change	Excl. Curr.
European Union	$1,085	$1,262	(14.0)%	(2.1)%	$ 3,232	$ 3,548	(8.9)%	(0.3)%
Eastern Europe, Middle East & Africa	1,047	925	13.2%	19.6%	2,805	2,482	13.0%	20.4%
Asia	1,297	1,309	(0.9)%	(0.2)%	4,068	3,800	7.1%	5.8%
Latin America & Canada	267	255	4.7%	11.4%	753	774	(2.7)%	4.9%
Total PMI	**$3,696**	**$3,751**	**(1.5)%**	**4.8%**	**$10,858**	**$10,604**	**2.4%**	**7.1%**

Reported operating companies income was down by 1.5% to $3.7 billion in the quarter, including unfavorable currency of $236 million. Excluding currency, operating companies income was up by 4.8%, driven by higher pricing, partly offset by unfavorable volume/mix of $200 million, higher manufacturing costs and increased marketing, sales and distribution investments, notably in Brazil, Colombia, Germany, Indonesia, the Philippines and Russia. Adjusted operating companies income declined by 1.7% as shown in the table below and detailed on Schedule 11. Adjusted operating companies income, excluding currency and acquisitions, increased by 4.5%.

PMI Operating Companies Income ($ Millions)

	Third-Quarter			Nine Months Year-To-Date		
	2012	2011	Change	2012	2011	Change
Reported OCI	$3,696	$3,751	(1.5)%	$10,858	$10,604	2.4%
Asset impairment & exit costs	(34)	(43)		(50)	(60)	
Adjusted OCI	**$3,730**	**$3,794**	**(1.7)%**	**$10,908**	**$10,664**	**2.3%**
Adjusted OCI Margin*	47.1%	45.4%	1.7 p.p.	46.4%	45.5%	0.9 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 0.5 percentage points to 45.9% during the quarter, as detailed on Schedule 11.

SHIPMENT VOLUME & MARKET SHARE

PMI Cigarette Shipment Volume by Segment (Million Units)

	Third-Quarter			Nine Months Year-To-Date		
	2012	2011	Change	2012	2011	Change
European Union	51,629	56,198	(8.1)%	151,222	161,913	(6.6)%
Eastern Europe, Middle East & Africa	81,388	79,053	3.0%	226,472	218,032	3.9%
Asia	79,507	79,053	0.6%	244,009	235,187	3.8%
Latin America & Canada	24,007	25,243	(4.9)%	72,214	73,512	(1.8)%
Total PMI	**236,531**	**239,547**	**(1.3)%**	**693,917**	**688,644**	**0.8%**

PMI's cigarette shipment volume was down in the quarter by 1.3%. PMI's September year-to-date cigarette shipment volume was up by 0.7%, excluding acquisitions. Excluding acquisitions and the Japan hurdle of 6.3 billion units related to additional volume shipped in the second quarter of 2011 following the disruption of PMI's principal competitor's supply chain, PMI's September year-to-date cigarette shipment volume was up by a strong 1.7%.

In the EU, PMI's total cigarette shipment volume decreased by 8.1% in the quarter, predominantly due to a lower total market, particularly in southern Europe. PMI's September year-to-date cigarette shipment volume was down by 6.6%.

In EEMA, PMI's total cigarette shipment volume grew by 3.0% in the quarter, driven mainly by improved market conditions in Egypt and favorable distributor inventory movements and higher share in Russia. PMI's September year-to-date cigarette shipment volume was up by 3.9%.

In Asia, PMI's total cigarette shipment volume increased by 0.6% in the quarter, driven mainly by Indonesia, Thailand and Vietnam, largely offset by Japan, due to: an unfavorable comparison with the prior year period in which depleted PMI distributor inventories and trade inventories of competitive product were rebuilt; and Korea. PMI's September year-to-date cigarette shipment volume was up by 3.8%. Excluding the Japan hurdle of 6.3 billion units, PMI's September year-to-date cigarette shipment volume in Asia was up by 6.6%.

In Latin America & Canada, PMI's total cigarette shipment volume decreased by 4.9% in the quarter, mainly due to a lower total market in Argentina, Brazil, Colombia and Mexico. PMI's September year-to-date cigarette shipment volume decreased by 1.8%.

Total cigarette shipment volume of *Marlboro* of 77.1 billion units was down by 2.3% in the quarter, reflecting a decline in the EU of 5.8%, notably in France, Italy and Spain, partly offset by Germany and Poland, a marginal decline in EEMA of 0.5% and a decline in Latin America & Canada of 2.6%. Cigarette shipment volume of *Marlboro* grew slightly in Asia by 0.6%, driven by gains in Indonesia and the Philippines, partly offset by declines in Japan and Korea. Total September year-to-date cigarette shipment volume of *Marlboro* was up by 0.3%, or by 1.1% excluding the Japan hurdle.

Total cigarette shipment volume of *L&M* of 24.6 billion units was up by 3.4% in the quarter, reflecting growth of 12.6% in EEMA, notably in Egypt and Russia, 9.0% in Asia, mainly Thailand, and 1.7% in Latin America & Canada. Cigarette shipment volume of *L&M* declined by 8.4% in the EU, notably in Greece, Poland and Spain. Total September year-to-date cigarette shipment volume of *L&M* was up by 2.2%.

Total cigarette shipment volume of *Bond Street* of 12.8 billion units increased by 3.4% in the quarter, led mainly by growth in Kazakhstan, Russia and Ukraine, partly offset by a decline in Hungary. Total September year-to-date cigarette shipment volume of *Bond Street* was up by 4.8%.

Total cigarette shipment volume of *Parliament* of 11.7 billion units was up by a robust 10.7%, fueled by strong growth of 13.8% in EEMA, driven notably by Kazakhstan, Russia and Turkey, and growth of 3.5% in Asia, led by Japan. Total September year-to-date cigarette shipment volume of *Parliament* was up by 9.4%. Excluding the Japan hurdle, total cigarette shipment volume of *Parliament* increased by 10.6% September year-to-date.

Total cigarette shipment volume of *Philip Morris* of 9.4 billion units decreased by 4.0% in the quarter, mainly reflecting a decline in Japan and the Philippines, partly offset by growth in Italy. Total September year-to-date cigarette shipment volume of *Philip Morris* was down by 3.6%. Excluding the Japan hurdle, total cigarette shipment volume of *Philip Morris* declined by 1.3% September year-to-date.

Total cigarette shipment volume of *Chesterfield* of 9.4 billion units was down by 6.0% in the quarter, due mainly to a decline in Spain and Ukraine. Total September year-to-date cigarette shipment volume of *Chesterfield* was down by 2.3%.

Total cigarette shipment volume of *Lark* of 8.1 billion units decreased by 16.0% in the quarter, due to a decline in Japan, and by 8.1% September year-to-date. Excluding the Japan hurdle, total shipment volume of *Lark* increased by 2.1% September year-to-date.

Excluding acquisitions, total shipment volume of other tobacco products (OTP), in cigarette equivalent units, grew by 6.8% in the quarter, notably in Belgium, Italy and Spain, and by 11.0% September year-to-date.

Excluding acquisitions, total shipment volume for cigarettes and OTP combined was down by 1.0% for the quarter and up by 1.0% September year-to-date. Excluding acquisitions and the Japan hurdle, total shipment volume for cigarettes and OTP combined was up by 1.9% September year-to-date. OTP, which is primarily sold within the EU Region, is not significant to PMI's net revenues.

PMI's September year-to-date market share performance was stable, or registered growth, in a number of key markets, including Algeria, Argentina, Austria, Belgium, Brazil, Egypt, Germany, Indonesia, Kazakhstan, Mexico, Poland, Russia, Thailand, Turkey and Ukraine.

EUROPEAN UNION REGION (EU)

In the EU, net revenues decreased by 15.2% to $2.1 billion in the quarter, including unfavorable currency of $334 million. Excluding currency, net revenues decreased by 1.9%, mainly reflecting unfavorable volume/mix of $154 million, predominantly due to a lower total market in Italy and a lower total market and share in France, Portugal and Spain. The decrease was partly offset by favorable pricing of $107 million, driven by France, Germany, the Netherlands, Poland, Spain and Switzerland. September year-to-date, net revenues, excluding currency, were up by 0.6%, driven by higher pricing of $382 million, partially offset by unfavorable volume/mix of $340 million.

Operating companies income decreased by 14.0% to $1.1 billion in the quarter, including unfavorable currency of $151 million. Excluding the unfavorable impact of currency, operating companies income decreased by 2.1%, as higher pricing was more than offset by: an unfavorable volume/mix of $124 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 new brand launches in Germany, Italy, Spain and Switzerland. September year-to-date operating companies income, excluding currency, was down by 0.3%.

Adjusted operating companies income decreased by 14.8% in the quarter, as shown in the table below and detailed on Schedule 11. Adjusted operating companies income, excluding currency, decreased by 2.9% in the quarter and by 0.9% September year-to-date.

EU Operating Companies Income ($ Millions)

	Third-Quarter			Nine Months Year-To-Date		
	2012	2011	Change	2012	2011	Change
Reported OCI	$1,085	$1,262	(14.0)%	$3,232	$3,548	(8.9)%
Asset impairment & exit costs	0	(11)		0	(23)	
Adjusted OCI	**$1,085**	**$1,273**	**(14.8)%**	**$3,232**	**$3,571**	**(9.5)%**
Adjusted OCI Margin*	51.1%	50.8%	0.3 p.p.	50.0%	51.0%	(1.0) 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 0.5 percentage points to 50.3% in the quarter, as detailed on Schedule 11, or down by 0.8 points to 50.2% September year-to-date, as detailed on Schedule 15, primarily as a result of the aforementioned higher manufacturing and marketing costs.

The total cigarette market in the EU declined by 7.5% to 137.8 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, and the prevalence of illicit trade. September year-to-date, the total cigarette market in the EU declined by 6.5% to 395.7 billion units.

PMI's cigarette shipment volume in the EU declined by 8.1% in the quarter, due principally to a lower total market across the Region. PMI's September year-to-date cigarette shipment volume in the EU declined by 6.6%, mainly due to a lower total market. Shipment volume of *Marlboro* in the quarter decreased by 5.8%, mainly due to a lower total market, partially offset by higher share. Shipment volume of *Marlboro*

September year-to-date was down by 5.0%. Shipment volume of *L&M* was down by 8.4% in the quarter, mainly reflecting lower share, and down by 4.3% September year-to-date. Shipment volume of *Chesterfield* was essentially flat in the quarter and up by 4.6% September year-to-date.

PMI's market share in the EU in the quarter was essentially flat at 38.1% as gains, notably in Belgium, Hungary, Italy, the Netherlands and Poland were more than offset by declines, primarily in the Czech Republic, France and Portugal. *Marlboro*'s share was up by 0.4 points to 18.4%, reflecting a higher share mainly in Belgium, Germany, Greece, Hungary, Italy and Poland, which more than offset lower share mainly in France, Portugal and Spain. *L&M*'s market share was down by 0.2 points to 6.5%, due to declines primarily in France, Greece, Poland and Portugal, partly offset by gains in the Czech Republic, the Netherlands and the Slovak Republic. *Chesterfield*'s market share was up by 0.3 points to 3.5%, driven notably by gains in the Czech Republic, Hungary, Poland, Portugal and Spain. *Philip Morris*' market share was up marginally by 0.1 point to 2.1%, with gains, notably in the Czech Republic, Italy and Portugal, partly offset by a decline in Spain.

PMI's shipments of OTP, in cigarette equivalent units, grew by 10.9% in the quarter, or by 18.8% September year-to-date, reflecting a higher total market and share mainly in France, Germany, Italy and Spain. PMI's OTP total market share was 12.1%, up by 0.5 points, driven by fine cut gains notably in Belgium, up by 1.8 points to 16.3%, Greece, up by 6.0 points to 13.2%, Italy, up by 13.7 points to 27.2% and Spain, up by 2.1 points to 11.9%. PMI's OTP total market share September year-to-date was 12.4%, up by 1.2 points.

EU Key Market Commentaries

In the Czech Republic, the total cigarette market was down by 3.5% to 5.3 billion units, mainly reflecting the impact of excise tax-driven price increases in the first and second quarters of 2012 and growth of the fine cut category. September year-to-date, the total cigarette market was down by 3.6% to 15.2 billion units. PMI's shipments were down by 7.9% in the quarter and by 8.0% September year-to-date. Market share in the quarter was down by 2.0 points to 42.5%, principally reflecting continued share declines for lower-margin local brands, such as *Petra* and *Sparta*, down by a combined 1.1 points to 6.0%, and *Red & White*, down by 1.9 points to 11.5%. This decline was partly offset by a higher share for *Marlboro*, *L&M*, *Chesterfield* and *Philip Morris*, up by 0.1, 0.4, 1.1 and 0.6 points to 7.3%, 7.4%, 1.4% and 2.9%, respectively. PMI's September year-to-date market share was down by 2.1 points to 42.9%.

In France, the total cigarette market was down by 4.6% to 13.6 billion units, mainly reflecting the impact of price increases in the fourth quarter of 2011 and lower tourism. September year-to-date, the total cigarette market was down by 4.2% to 39.9 billion units. PMI's shipments were down by 9.2% in the quarter and by 6.5% September year-to-date. PMI's market share was down in the quarter by 1.5 points to 38.9%, mainly due to *Marlboro*, down by 1.4 points to 24.5%, reflecting its crossing of the €6.00 per pack price threshold ahead of competitive brands, and to *L&M*, down by 0.4 points to 2.5%. Market share of premium *Philip Morris* was flat at 8.2% and share of *Chesterfield* was up by 0.3 points to 3.3%. PMI's September year-to-date market share was down by 1.1 points to 39.5%. PMI's market share of the fine cut category was up by 0.1 point to 25.3% in the quarter and up by 1.1 points to 25.5% September year-to-date.

In Germany, the total cigarette market was down by 2.0% to 21.8 billion units, mainly reflecting the unfavorable impact of price increases in June 2011 and March 2012. September year-to-date, the total cigarette market was down by 1.5% to 63.0 billion units. PMI's shipments were down by 2.0% in the quarter and by 1.1% September year-to-date. PMI's market share in the quarter was flat at 35.2%, with *Marlboro* up by 0.2 points to 21.0%, *L&M* down slightly by 0.1 point to 10.2% and *Chesterfield* flat at 0.8%. PMI's September year-to-date market share was up slightly by 0.1 point to 35.8%. PMI's market share of the fine cut category was flat at 14.7% in the quarter and up by 0.7 points to 15.5% September year-to-date.

In Italy, the total cigarette market was down by 10.1% to 21.0 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 category, and an increase in illicit trade. September year-to-date, the total cigarette market was down by 9.0% to 59.8 billion units. PMI's shipments were down by 6.9% in the quarter and by 8.1% September year-to-date. PMI's market share increased in the quarter by 0.2 points to 53.2%, driven largely by *Marlboro,* up by 0.8 points to 23.5%, fueled by the March 2012 and June 2012 launches of *Marlboro Silver* and *Marlboro Pocket Pack*. Market share of low-price *Diana*, down by 0.9 points to 12.2%, was partially offset by the *Philip Morris* brand, up by 0.4 points to 3.7%, benefiting from the first-quarter 2012 launch of *Philip Morris Selection* in the low-price segment. PMI's September year-to-date market share was down by 0.3 points to 53.0%. PMI's market share of the fine cut category was up by 13.5 points to 27.2% and up by 21.3 points to 28.9% September year-to-date.

In Poland, the total cigarette market was down by 7.5% to 13.8 billion units, mainly reflecting the impact of price increases in the first quarter of 2012 and the timing of trade inventory movements in the quarter. September year-to-date, the total cigarette market was down by 5.0% to 40.7 billion units. While PMI's shipments were down by 2.3% in the quarter, and by 2.7% September year-to-date, market share was up by 2.0 points to 37.1% in the quarter, benefiting from the launch of two new super slims variants in the second quarter, *Marlboro Gold Prime Edge* and *Marlboro Mint Stream*. Market shares of *Marlboro*, *Chesterfield* and *Red & White* were up by 1.9, 0.7 and 0.3 points to 11.6%, 1.9% and 5.4%, respectively. While share of *L&M* was down by 0.3 points in the quarter to 16.6%, it was up by 0.3 points compared to the second quarter 2012. PMI's September year-to-date market share was up by 0.9 points to 35.7%. PMI's market share of the fine cut category was down by 2.3 points to 18.7% in the quarter and up by 0.3 points to 18.9% September year-to-date.

In Spain, the total cigarette market was down by 12.8% to 14.8 billion units, mainly reflecting the impact of price increases in the second half of 2011 and second quarter of 2012, the unfavorable economic environment, the growth of the OTP category and illicit trade. September year-to-date, the total cigarette market was down by 11.0% to 41.4 billion units. PMI's shipments were down by 18.7% in the quarter and by 13.0% September year-to-date. Market share was down by 0.1 point to 31.2%, with higher share of *Chesterfield*, revamped in the first quarter of 2012, up by 0.5 points to 9.0%, offset by *Marlboro*, down by 0.3 points to 14.9% and *Philip Morris*, down by 0.2 points to 0.9%. Market share of *L&M* was flat at 6.3%. PMI's September year-to-date market share was down by 0.6 points to 30.4%. PMI's market share of the fine cut category was up by 2.1 points to 11.9% in the quarter and up by 0.4 points to 11.4% September year-to-date.

EASTERN EUROPE, MIDDLE EAST & AFRICA REGION (EEMA)

In EEMA, net revenues were essentially flat at $2.2 billion, including unfavorable currency of $211 million. Excluding the impact of currency and acquisitions, net revenues increased by 9.1%, primarily due to favorable pricing of $149 million and favorable volume/mix of $52 million, the fifth consecutive quarter of favorable volume/mix. September year-to-date, net revenues, excluding currency and acquisitions, were up by 11.3%, driven by higher pricing and favorable volume/mix of $365 million and $303 million, respectively.

Operating companies income increased by 13.2% to $1.0 billion, despite unfavorable currency of $59 million. Excluding the impact of currency and acquisitions, operating companies income increased by 19.4%, due primarily to higher pricing and favorable volume/mix of $55 million, partly offset by higher costs, principally related to investments in marketing and business infrastructure, mainly in Russia. September year-to-date, operating companies income, excluding currency and acquisitions, was up by 20.2%.

Adjusted operating companies income increased by 11.3%, as shown in the table below and detailed on Schedule 11. Adjusted operating companies income, excluding currency and acquisitions, increased by 17.3% in the quarter and was up by 19.4% September year-to-date.

EEMA Operating Companies Income ($ Millions)

	Third-Quarter			Nine Months Year-To-Date		
	2012	2011	Change	2012	2011	Change
Reported OCI	$1,047	$ 925	13.2%	$2,805	$2,482	13.0%
Asset impairment & exit costs	0	(16)		0	(18)	
Adjusted OCI	**$1,047**	**$ 941**	**11.3%**	**$2,805**	**$2,500**	**12.2%**
Adjusted OCI Margin*	47.4%	42.6%	4.8 p.p.	45.3%	42.3%	3.0 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 3.2 percentage points to 45.8%, as detailed on Schedule 11, or by 3.1 points to 45.4% September year-to-date, as detailed on Schedule 15.

PMI's cigarette shipment volume in EEMA increased by 3.0%, predominantly due to improved market conditions in Egypt and the favorable timing of distributor inventory movements and higher market share in Russia.

PMI's cigarette shipment volume of premium brands grew by 3.7%, driven by *Parliament*, up by 13.8%, mainly reflecting growth in Kazakhstan, Russia and Turkey.

EEMA Key Market Commentaries

In Russia, PMI's shipment volume increased by 4.5% in the quarter, mainly reflecting favorable distributor inventory movements and a higher market share, and by 4.8% September year-to-date. Shipment volume of PMI's premium portfolio in the quarter was up by 7.3%, driven primarily by *Parliament*, up by 16.7%. In the mid-price segment, shipment volume was up by 6.9%, mainly due to *L&M*, up by 23.5%, the fourth consecutive quarter of growth. In the low-price segment, shipment volume was up by 2.6%, driven by *Apollo Soyuz*, *Bond Street* and *Next*, up by 5.3%, 2.2% and 6.7%, respectively. PMI's August quarter-to-date market share of 26.5%, as measured by Nielsen, was up by 0.7 points. Market share of *Parliament* was up by 0.1 point to 3.1%; *Marlboro* was down slightly by 0.1 point to 1.9%; *L&M* was up by 0.2 points to 2.6% and *Chesterfield* was essentially flat at 3.4%; *Bond Street* was up by 0.2 points to 6.5%; *Next* was up by 0.3 points to 2.9%; and *Apollo Soyuz* and *Optima* were essentially flat at 1.5% and 3.2%, respectively. PMI's August year-to-date market share of 26.2%, as measured by Nielsen, was up by 0.6 points.

In Turkey, the total cigarette market increased by an estimated 1.2% to 25.9 billion units in the quarter, reflecting recovery after the October 2011 excise tax-driven price increase and a decline in illicit trade. September year-to-date, the total cigarette market increased by an estimated 3.4% to 72.2 billion units. PMI's shipment volume increased by 1.8% in the quarter, notably premium and mid-price volume, up by 6.1% and 2.6%, respectively, and by 6.4% September year-to-date. PMI's August quarter-to-date market share, as measured by Nielsen, grew by 0.4 points to 46.0%, driven by premium *Parliament,* mid-price *Muratti* and low-price *Lark*, up by 0.7, 0.3 and 0.3 share points to 9.1%, 6.6% and 12.2%, respectively, partly offset by a decline in low-price *L&M*, down by 0.3 points to 8.5%. Market share of *Marlboro* was down slightly by 0.1 point to 9.3%. PMI's August year-to-date market share, as measured by Nielsen, grew by 0.6 points to 45.3%.

In Ukraine, the total cigarette market declined by 10.0% to 23.3 billion units, mainly due to the timing of trade inventory movements of competitive product in the third quarter of 2011. September year-to-date, the total cigarette market was down by 3.5% to 64.8 billion units. PMI's shipment volume decreased by 4.8% and 2.0% in the quarter and September year-to-date, respectively. August quarter-to-date market share, as measured by Nielsen, was up by 0.2 points to 32.4%. Share for premium *Parliament* was up by 0.4 points to 3.2%. Share of *Marlboro* was flat at 5.7%, *Chesterfield* was down by 0.7 points to 6.9% and *Bond Street* was up by 1.4 points to 8.9%. August year-to-date market share, as measured by Nielsen, was up slightly by 0.1 point to 32.2%.

ASIA REGION

In Asia, net revenues decreased by 1.4% to $2.8 billion, including unfavorable currency of $104 million. Excluding the impact of currency, net revenues increased by 2.4%, reflecting the favorable impact of pricing of $149 million, principally in Australia, Indonesia, Korea and the Philippines, partially offset by an unfavorable volume/mix of $83 million, primarily due to: an unfavorable comparison in Japan with the third quarter of 2011 in which depleted PMI distributor inventories and trade inventories of competitive product were rebuilt; and, in Korea, lower market share reflecting the impact of PMI's price increases in the first quarter of 2012. September year-to-date, net revenues, excluding currency and acquisitions, were up by 4.9%, driven by higher pricing of $393 million.

Operating companies income decreased by 0.9% to $1.3 billion. Excluding the unfavorable impact of currency of $9 million, operating companies income decreased by 0.2%, reflecting an unfavorable volume/mix of $96 million and higher costs, primarily related to marketing, notably in Indonesia and Japan, and restructuring charges in Malaysia and the Philippines, partly offset by higher pricing. September year-to-date, operating companies income, excluding currency, was up by 5.8%, benefiting from higher pricing, partly offset by unfavorable volume/mix due primarily to the Japan hurdle. Excluding Japan, volume/mix was favorable, driven by growth in Indonesia.

Adjusted operating companies income increased by 0.5% in the quarter as shown in the table below and detailed on Schedule 11. Adjusted operating companies income, excluding currency, increased by 1.2% in the quarter and was up by 6.3% September year-to-date.

Asia Operating Companies Income ($ Millions)

	Third-Quarter			Nine Months Year-To-Date		
	2012	2011	Change	2012	2011	Change
Reported OCI	$1,297	$1,309	(0.9)%	$4,068	$3,800	7.1%
Asset impairment & exit costs	(24)	(5)		(24)	(7)	
Adjusted OCI	**$1,321**	**$1,314**	**0.5%**	**$4,092**	**$3,807**	**7.5%**
Adjusted OCI Margin*	47.8%	46.9%	0.9 p.p.	48.8%	47.2%	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 0.5 percentage points to 46.4% in the quarter, as detailed on Schedule 11, or up by 0.7 points to 47.9% September year-to-date, as detailed on Schedule 15.

PMI's cigarette shipment volume in Asia increased by 0.6% in the quarter, driven by growth in Indonesia, Thailand and Vietnam, largely offset by a decline in Japan. PMI's cigarette shipment volume in Asia increased by 3.8% September year-to-date, or by 6.6% excluding the 6.3 billion units associated with the 2011 Japan hurdle.

Shipment volume of *Marlboro* was up by 0.6% in the quarter, driven by Indonesia, the Philippines and Vietnam, largely offset by Japan and Korea. Shipment volume of *Marlboro* was up by 3.0% September year-to-date, or by 6.2% excluding the related Japan hurdle volume.

Asia Key Market Commentaries

In Indonesia, the total cigarette market was up by 2.4% to 76.5 billion units, driven by growth in the premium and mid-price segments, and up by 6.7% September year-to-date. PMI's shipment volume grew by 13.0% in the quarter and by 18.3% September year-to-date. PMI's market share was up by 3.3 points to 34.9%, driven by all main brand families, notably by *Sampoerna A* in the premium segment, up by 1.5 points to 13.7%, and mid-price *U Mild*, up by 1.2 points to 3.3%. *Marlboro*'s market share was up by 0.4 points to 4.7% and its share of the "white" cigarettes segment increased by 6.1 points to 71.9%. Market share of *Dji Sam Soe* was flat at 7.8%. PMI's September year-to-date market share was up by 3.3 points to 34.0%.

In Japan, the total cigarette market decreased by 7.7% to 50.6 billion units in the quarter. September year-to-date, the total cigarette market increased by 1.6% to 146.6 billion units. PMI's shipment volume was down by 13.4% in the quarter, reflecting an unfavorable comparison with the third quarter of 2011 in which depleted PMI distributor inventories and trade inventories of competitive product were rebuilt. PMI's September year-to-date shipment volume decreased by 10.5%, or increased by 3.0% excluding the additional hurdle volume of 6.3 billion units associated with 2011. PMI's market share was down by 0.4 points to 27.5% in the quarter. Share of *Marlboro* was up by 0.5 points to 12.5%, and up slightly by 0.1 point compared to its 2011 exit share of 12.4%, supported by the introduction of *Marlboro Black Menthol Edge 1* and *Marlboro Black Menthol Edge 8* in May and *Marlboro Ice Blast 1* and *Marlboro Ice Blast 5* in July. Share of *Lark* was down by 0.5 points to 8.2%, down by 0.4 points compared to its 2011 exit share of 8.6%. Share of *Philip Morris* was down by 0.2 points to 2.3%, and by 0.2 points compared to its 2011 exit share of 2.5%. PMI's market share was down by 3.8 points to 27.8% September year-to-date or by 0.4 points compared to its 2011 exit share.

In Korea, the total cigarette market was up by 0.5% to 24.3 billion units. September year-to-date, the total cigarette market increased by 0.4% to 67.5 billion units. PMI's shipment volume decreased by 8.9% in the quarter and by 1.5% September year-to-date, reflecting the impact of PMI's price increases in February 2012. While PMI's market share in the quarter of 19.0% was down by 2.1 points, it was up by 0.2 points versus the second quarter of 2012. Market share of *Marlboro* and *Parliament* in the quarter was down by 1.9 and 0.7 points to 7.5% and 6.4%, respectively, partly offset by *Virginia Slims*, up by 0.9 points to 4.4%, reflecting the positive impact of its price repositioning in April 2012. PMI's market share of 19.3% September year-to-date was down by 0.4 points.

In the Philippines, the total cigarette market increased by 2.3% to 24.7 billion units. September year-to-date, the total cigarette market increased by 2.6% to 74.8 billion units. PMI's shipment volume decreased by 0.2% in the quarter and was essentially flat September year-to-date, mainly reflecting the impact of PMI's price increases in January 2012. PMI's market share was down by 2.2 points to 90.8%, due primarily to share declines of *Champion* and *Hope*. *Marlboro*'s market share was up by 0.2 points to 21.2%. Market share of *Fortune* was up by 3.1 points to 50.1%. PMI's market share of 92.0% September year-to-date was down by 2.3 points.

LATIN AMERICA & CANADA REGION

In Latin America & Canada, net revenues decreased by 2.4% to $827 million, including unfavorable currency of $82 million. Excluding the impact of currency, net revenues increased by 7.3%, reflecting favorable pricing of $100 million, principally in Argentina, Brazil, Canada and Mexico, partially offset by unfavorable volume/mix of $38 million. September year-to-date, net revenues, excluding currency, were up by 6.4%, driven by higher pricing of $197 million, marginally offset by unfavorable volume/mix of $41 million.

Operating companies income increased by 4.7% to $267 million. Excluding the unfavorable impact of currency of $17 million, operating companies income increased by 11.4%, primarily reflecting favorable pricing, partially offset by unfavorable volume/mix and higher costs, primarily related to manufacturing restructuring costs and investments in distribution infrastructure, notably in Brazil and Colombia. Adjusted operating companies income increased by 4.1% as shown in the table below and detailed on Schedule 11. Adjusted operating companies income, excluding currency, increased by 10.5% in the quarter and by 6.6% September year-to-date.

Latin America & Canada Operating Companies Income ($ Millions)

	Third-Quarter			Nine Months Year-To-Date		
	2012	**2011**	**Change**	**2012**	**2011**	**Change**
Reported OCI	$ 267	$ 255	4.7%	$ 753	$ 774	(2.7)%
Asset impairment & exit costs	(10)	(11)		(26)	(12)	
Adjusted OCI	**$ 277**	**$ 266**	**4.1%**	**$ 779**	**$ 786**	**(0.9)%**
Adjusted OCI Margin*	33.5%	31.4%	2.1 p.p.	31.9%	32.0%	(0.1) p.p.

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

Excluding the impact of currency, adjusted operating companies income margin increased by 0.9 percentage points to 32.3%, as detailed on Schedule 11 or up by 0.1 point to 32.1% September year-to-date, as detailed on Schedule 15.

PMI's cigarette shipment volume in Latin America & Canada decreased by 4.9% in the quarter, mainly due to a lower total market in Argentina, Brazil, Colombia and Mexico, or by 1.8% September year-to-date. Shipment volume of *Marlboro* decreased by 2.6% in the quarter, principally due to declines in Argentina and Mexico, and increased by 1.3% September year-to-date.

Latin America & Canada Key Market Commentaries

In Argentina, the total cigarette market declined by 4.8% to 10.2 billion units in the quarter, mainly reflecting the timing of trade inventory movements and a deceleration in the economy, and by 0.8% to 32.1 billion units September year-to-date. PMI's cigarette shipment volume in the quarter decreased by 3.8% and by 0.1% September year-to-date. PMI's market share was up in the quarter by 1.1 points to 75.0%, reflecting growth of mid-price *Philip Morris*, up by 2.0 share points to 39.8%, partly offset by low-price *Next*, down by 0.4 points to 3.1%. Market share of *Marlboro* was down by 0.2 to 24.0%. PMI's market share was up September year-to-date by 0.9 points to 74.9%.

In Canada, the total tax-paid cigarette market increased in the quarter by 1.4% to 8.7 billion units, reflecting favorable seasonality and improved economic conditions in the mid-west region. The total tax-paid cigarette market was up by 0.5% to 24.1 billion units September year-to-date. PMI's cigarette shipment volume in the quarter declined by 1.2% and by 1.9% September year-to-date. PMI's market share was down in the quarter by 1.0 point to 33.3%, primarily reflecting share losses in the mid-price segment. Market share of premium brands *Benson & Hedges* and *Belmont* combined were essentially flat, and low-price brand *Next* was up by 0.7 points to 7.7%, offset by mid-price *Number 7* and *Canadian Classics*, and low-price *Accord* and *Quebec Classique*, down by 0.3, 0.4, 0.4 and 0.2 share points, to 3.8%, 8.4%, 3.1% and 2.4%, respectively. PMI's market share September year-to-date was down by 0.6 points to 33.5%.

In Mexico, the total cigarette market was down in the quarter by 4.1% to 8.4 billion units. The total cigarette market was down by 1.3% to 24.6 billion units September year-to-date. PMI's cigarette shipment volume decreased by 3.5% in the quarter and increased by 0.9% September year-to-date. PMI's market share grew in the quarter by 0.4 points to 73.6%, led by *Marlboro*, up by 0.8 share points to 53.6%. Market share of premium *Benson & Hedges* was flat at 6.1% while share of low-price *Delicados* decreased by 0.6 points to 10.5%. PMI's market share grew September year-to-date by 1.6 points to 73.6%.

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 June 30, 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 September 30,
($ in millions, except per share data)
(Unaudited)

	2012	2011	% Change
Net revenues	**$19,592**	**$20,706**	**(5.4)%**
Cost of sales	2,584	2,847	(9.2)%
Excise taxes on products [1]	11,672	12,344	(5.4)%
Gross profit	5,336	5,515	(3.2)%
Marketing, administration and research costs	1,606	1,721	
Asset impairment and exit costs	34	43	
Operating companies income	**3,696**	**3,751**	**(1.5)%**
Amortization of intangibles	24	25	
General corporate expenses	49	49	
Operating income	**3,623**	**3,677**	**(1.5)%**
Interest expense, net	211	192	
Earnings before income taxes	3,412	3,485	(2.1)%
Provision for income taxes	1,088	1,024	6.3%
Net earnings	2,324	2,461	(5.6)%
Net earnings attributable to noncontrolling interests	97	84	
Net earnings attributable to PMI	**$ 2,227**	**$ 2,377**	**(6.3)%**
Per share data:[2]			
Basic earnings per share	**$ 1.32**	**$ 1.35**	**(2.2)%**
Diluted earnings per share	**$ 1.32**	**$ 1.35**	**(2.2)%**

(1) The segment detail of excise taxes on products sold for the quarters ended September 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 September 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 September 30,
($ in millions)
(Unaudited)

		Net Revenues excluding Excise Taxes				
		European Union	EEMA	Asia	Latin America & Canada	Total
2012	Net Revenues [1]	$ 6,904	$ 5,125	$ 5,174	$ 2,389	$ 19,592
	Excise Taxes on Products	(4,779)	(2,918)	(2,413)	(1,562)	(11,672)
	Net Revenues excluding Excise Taxes	**2,125**	**2,207**	**2,761**	**827**	**7,920**
2011	Net Revenues	$ 8,155	$ 4,921	$ 5,143	$ 2,487	$ 20,706
	Excise Taxes on Products	(5,649)	(2,711)	(2,344)	(1,640)	(12,344)
	Net Revenues excluding Excise Taxes	**2,506**	**2,210**	**2,799**	**847**	**8,362**
Variance	Currency	(334)	(211)	(104)	(82)	(731)
	Acquisitions	—	7	—	—	7
	Operations	(47)	201	66	62	282
	Variance Total	**(381)**	**(3)**	**(38)**	**(20)**	**(442)**
	Variance Total (%)	(15.2)%	(0.1)%	(1.4)%	(2.4)%	(5.3)%
	Variance excluding Currency	(47)	208	66	62	289
	Variance excluding Currency (%)	(1.9)%	9.4%	2.4%	7.3%	3.5%
	Variance excluding Currency & Acquisitions	(47)	201	66	62	282
	Variance excluding Currency & Acquisitions (%)	(1.9)%	9.1%	2.4%	7.3%	3.4%

[1] 2012 Currency decreased net revenues as follows:

European Union	$(1,135)
EEMA	(559)
Asia	(273)
Latin America & Canada	(265)
	$(2,232)

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

	Operating Companies Income				
	European Union	EEMA	Asia	Latin America & Canada	Total
2012	$ 1,085	$1,047	$1,297	$ 267	$3,696
2011	1,262	925	1,309	255	3,751
% Change	(14.0)%	13.2%	(0.9)%	4.7%	(1.5)%
Reconciliation:					
For the quarter ended September 30, 2011	**$ 1,262**	**$ 925**	**$1,309**	**$ 255**	**$3,751**
2011 Asset impairment and exit costs	11	16	5	11	43
2012 Asset impairment and exit costs	—	—	(24)	(10)	(34)
Acquired businesses	—	2	—	—	2
Currency	(151)	(59)	(9)	(17)	(236)
Operations	(37)	163	16	28	170
For the quarter ended September 30, 2012	**$ 1,085**	**$1,047**	**$1,297**	**$ 267**	**$3,696**

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

	Diluted E.P.S.
2012 Diluted Earnings Per Share	$ 1.32[1]
2011 Diluted Earnings Per Share	$ 1.35[1]
Change	$(0.03)
% Change	(2.2)%
Reconciliation:	
2011 Diluted Earnings Per Share	**$ 1.35[1]**
Special Items:	
2012 Asset impairment and exit costs	(0.01)
2012 Tax items	(0.05)
2011 Asset impairment and exit costs	0.02
2011 Tax items	—
Currency	(0.07)
Interest	(0.01)
Change in tax rate	—
Impact of lower shares outstanding and share-based payments	0.05
Operations	0.04
2012 Diluted Earnings Per Share	**$ 1.32[1]**

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

	Q3 2012	Q3 2011
Net earnings attributable to PMI	$2,227	$2,377
Less distributed and undistributed earnings attributable to share-based payment awards	12	14
Net earnings for basic and diluted EPS	$2,215	$2,363
Weighted-average shares for basic EPS	1,683	1,749
Plus incremental shares from assumed conversions:		
Stock Options	—	—
Weighted-average shares for diluted EPS	1,683	1,749

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

	2012	2011	% Change
Net revenues	**$57,651**	**$57,470**	**0.3%**
Cost of sales	7,692	7,986	(3.7)%
Excise taxes on products [1]	34,163	34,044	0.3%
Gross profit	15,796	15,440	2.3%
Marketing, administration and research costs	4,888	4,776	
Asset impairment and exit costs	50	60	
Operating companies income	**10,858**	**10,604**	**2.4%**
Amortization of intangibles	73	73	
General corporate expenses	155	135	
Operating income	**10,630**	**10,396**	**2.3%**
Interest expense, net	633	613	
Earnings before income taxes	9,997	9,783	2.2%
Provision for income taxes	3,034	2,850	6.5%
Net earnings	6,963	6,933	0.4%
Net earnings attributable to noncontrolling interests	258	228	
Net earnings attributable to PMI	**$ 6,705**	**$ 6,705**	**— %**
Per share data:[2]			
Basic earnings per share	**$ 3.92**	**$ 3.76**	**4.3%**
Diluted earnings per share	**$ 3.92**	**$ 3.76**	**4.3%**

(1) The segment detail of excise taxes on products sold for the nine months ended September 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 nine months ended September 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 Nine Months Ended September 30,
($ in millions)
(Unaudited)

		Net Revenues excluding Excise Taxes				
		European Union	EEMA	Asia	Latin America & Canada	Total
2012	Net Revenues [1]	$ 20,654	$14,256	$15,668	$ 7,073	$ 57,651
	Excise Taxes on Products	(14,191)	(8,063)	(7,275)	(4,634)	(34,163)
	Net Revenues excluding Excise Taxes	**6,463**	**6,193**	**8,393**	**2,439**	**23,488**
2011	Net Revenues	$ 22,650	$13,195	$14,577	$ 7,048	$ 57,470
	Excise Taxes on Products	(15,646)	(7,286)	(6,519)	(4,593)	(34,044)
	Net Revenues excluding Excise Taxes	**7,004**	**5,909**	**8,058**	**2,455**	**23,426**
Variance	Currency	(583)	(411)	(59)	(172)	(1,225)
	Acquisitions	—	27	1	—	28
	Operations	42	668	393	156	1,259
	Variance Total	**(541)**	**284**	**335**	**(16)**	**62**
	Variance Total (%)	(7.7)%	4.8%	4.2%	(0.7)%	0.3%
	Variance excluding Currency	42	695	394	156	1,287
	Variance excluding Currency (%)	0.6%	11.8%	4.9%	6.4%	5.5%
	Variance excluding Currency & Acquisitions	42	668	393	156	1,259
	Variance excluding Currency & Acquisitions (%)	0.6%	11.3%	4.9%	6.4%	5.4%

(1) 2012 Currency decreased net revenues as follows:

European Union	$(2,002)
EEMA	(1,337)
Asia	(300)
Latin America & Canada	(574)
	$(4,213)

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

	Operating Companies Income				
	European Union	EEMA	Asia	Latin America & Canada	Total
2012	$ 3,232	$2,805	$4,068	$ 753	$10,858
2011	3,548	2,482	3,800	774	10,604
% Change	(8.9)%	13.0%	7.1%	(2.7)%	2.4%
Reconciliation:					
For the nine months ended September 30, 2011	**$ 3,548**	**$2,482**	**$3,800**	**$ 774**	**$10,604**
2011 Asset impairment and exit costs	23	18	7	12	60
2012 Asset impairment and exit costs	—	—	(24)	(26)	(50)
Acquired businesses	—	4	—	—	4
Currency	(306)	(183)	47	(59)	(501)
Operations	(33)	484	238	52	741
For the nine months ended September 30, 2012	**$ 3,232**	**$2,805**	**$4,068**	**$ 753**	**$10,858**

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

	Diluted E.P.S.
2012 Diluted Earnings Per Share	$ 3.92[1]
2011 Diluted Earnings Per Share	$ 3.76[1]
Change	$ 0.16
% Change	4.3%
Reconciliation:	
2011 Diluted Earnings Per Share	**$ 3.76[1]**
Special Items:	
2012 Asset impairment and exit costs	(0.02)
2012 Tax items	(0.05)
2011 Asset impairment and exit costs	0.03
2011 Tax items	(0.02)
Currency	(0.19)
Interest	(0.01)
Change in tax rate	—
Impact of lower shares outstanding and share-based payments	0.17
Operations	0.25
2012 Diluted Earnings per Share	**$ 3.92[1]**

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

	YTD September 2012	YTD September 2011
Net earnings attributable to PMI	$ 6,705	$ 6,705
Less distributed and undistributed earnings attributable to share-based payment awards	36	38
Net earnings for basic and diluted EPS	$ 6,669	$ 6,667
Weighted-average shares for basic EPS	1,701	1,771
Plus incremental shares from assumed conversions:		
Stock Options	—	—
Weighted-average shares for diluted EPS	1,701	1,771

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

	September 30, 2012	December 31, 2011
Assets		
Cash and cash equivalents	$ 4,817	$ 2,550
All other current assets	12,783	12,309
Property, plant and equipment, net	6,364	6,250
Goodwill	9,903	9,928
Other intangible assets, net	3,651	3,697
Other assets	791	754
Total assets	**$ 38,309**	**$ 35,488**
Liabilities and Stockholders' (Deficit) Equity		
Short-term borrowings	$ 2,141	$ 1,511
Current portion of long-term debt	2,775	2,206
All other current liabilities	11,810	11,077
Long-term debt	17,520	14,828
Deferred income taxes	1,902	1,976
Other long-term liabilities	2,045	2,127
Total liabilities	38,193	33,725
Redeemable noncontrolling interest	1,276	1,212
Total PMI stockholders' (deficit) equity	(1,481)	229
Noncontrolling interests	321	322
Total stockholders' (deficit) equity	(1,160)	551
Total liabilities and stockholders' (deficit) equity	**$ 38,309**	**$ 35,488**
Total debt	$ 22,436	$ 18,545
Total debt to EBITDA	1.55[(1)]	1.29[(1)]
Net debt to EBITDA	1.22[(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 September 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**
$ 6,904	$ 4,779	$ 2,125	$ (334)	$ 2,459	$ —	$ 2,459	European Union	$ 8,155	$ 5,649	$ 2,506	(15.2)%	(1.9)%	(1.9)%
5,125	2,918	2,207	(211)	2,418	7	2,411	EEMA	4,921	2,711	2,210	(0.1)%	9.4%	9.1%
5,174	2,413	2,761	(104)	2,865	—	2,865	Asia	5,143	2,344	2,799	(1.4)%	2.4%	2.4%
2,389	1,562	827	(82)	909	—	909	Latin America & Canada	2,487	1,640	847	(2.4)%	7.3%	7.3%
$ 19,592	**$11,672**	**$ 7,920**	**$ (731)**	**$ 8,651**	**$ 7**	**$ 8,644**	**PMI Total**	**$20,706**	**$12,344**	**$ 8,362**	**(5.3)%**	**3.5%**	**3.4%**

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**
$1,085	$ (151)	$ 1,236	$ —	$ 1,236	European Union	$ 1,262	(14.0)%	(2.1)%	(2.1)%
1,047	(59)	1,106	2	1,104	EEMA	925	13.2%	19.6%	19.4%
1,297	(9)	1,306	—	1,306	Asia	1,309	(0.9)%	(0.2)%	(0.2)%
267	(17)	284	—	284	Latin America & Canada	255	4.7%	11.4%	11.4%
$ 3,696	**$ (236)**	**$ 3,932**	**$ 2**	**$ 3,930**	**PMI Total**	**$ 3,751**	**(1.5)%**	**4.8%**	**4.8%**

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 September 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
$ 1,085	$ —	$ 1,085	$ (151)	$ 1,236	$ —	$ 1,236	European Union	$ 1,262	$ (11)	$ 1,273	(14.8)%	(2.9)%	(2.9)%
1,047	—	1,047	(59)	1,106	2	1,104	EEMA	925	(16)	941	11.3%	17.5%	17.3%
1,297	(24)	1,321	(9)	1,330	—	1,330	Asia	1,309	(5)	1,314	0.5%	1.2%	1.2%
267	(10)	277	(17)	294	—	294	Latin America & Canada	255	(11)	266	4.1%	10.5%	10.5%
$ 3,696	**$ (34)**	**$ 3,730**	**$ (236)**	**$ 3,966**	**$ 2**	**$ 3,964**	**PMI Total**	**$ 3,751**	**$ (43)**	**$ 3,794**	**(1.7)%**	**4.5%**	**4.5%**

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
$ 1,236	$ 2,459	50.3%	$ 1,236	$ 2,459	50.3%	European Union	$ 1,273	$ 2,506	50.8%	(0.5)	(0.5)
1,106	2,418	45.7%	1,104	2,411	45.8%	EEMA	941	2,210	42.6%	3.1	3.2
1,330	2,865	46.4%	1,330	2,865	46.4%	Asia	1,314	2,799	46.9%	(0.5)	(0.5)
294	909	32.3%	294	909	32.3%	Latin America & Canada	266	847	31.4%	0.9	0.9
$ 3,966	**$ 8,651**	**45.8%**	**$ 3,964**	**$ 8,644**	**45.9%**	**PMI Total**	**$ 3,794**	**$ 8,362**	**45.4%**	**0.4**	**0.5**

(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 September 30,
(Unaudited)

	2012	2011	% Change
Reported Diluted EPS	**$ 1.32**	**$1.35**	**(2.2)%**
Adjustments:			
Asset impairment and exit costs	0.01	0.02	
Tax items	0.05	—	
Adjusted Diluted EPS	**$ 1.38**	**$1.37**	**0.7%**
Less:			
Currency impact	(0.07)		
Adjusted Diluted EPS, excluding Currency	**$ 1.45**	**$1.37**	**5.8%**

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 September 30,
(Unaudited)

	2012	2011	% Change
Reported Diluted EPS	**$ 1.32**	**$1.35**	**(2.2)%**
Less:			
Currency impact	(0.07)		
Reported Diluted EPS, excluding Currency	**$ 1.39**	**$1.35**	**3.0%**

Schedule 14

PHILIP MORRIS INTERNATIONAL INC.
and Subsidiaries
Reconciliation of Non-GAAP Measures
Adjustments for the Impact of Currency and Acquisitions
For the Nine Months Ended September 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**
$ 20,654	$14,191	$ 6,463	$ (583)	$ 7,046	$ —	$ 7,046	European Union	$22,650	$15,646	$ 7,004	(7.7)%	0.6%	0.6%
14,256	8,063	6,193	(411)	6,604	27	6,577	EEMA	13,195	7,286	5,909	4.8%	11.8%	11.3%
15,668	7,275	8,393	(59)	8,452	1	8,451	Asia	14,577	6,519	8,058	4.2%	4.9%	4.9%
7,073	4,634	2,439	(172)	2,611	—	2,611	Latin America & Canada	7,048	4,593	2,455	(0.7)%	6.4%	6.4%
$ 57,651	**$34,163**	**$ 23,488**	**$(1,225)**	**$ 24,713**	**$ 28**	**$ 24,685**	**PMI Total**	**$57,470**	**$34,044**	**$ 23,426**	**0.3%**	**5.5%**	**5.4%**

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**
$ 3,232	$ (306)	$ 3,538	$ —	$ 3,538	European Union	$ 3,548	(8.9)%	(0.3)%	(0.3)%
2,805	(183)	2,988	4	2,984	EEMA	2,482	13.0%	20.4%	20.2%
4,068	47	4,021	—	4,021	Asia	3,800	7.1%	5.8%	5.8%
753	(59)	812	—	812	Latin America & Canada	774	(2.7)%	4.9%	4.9%
$10,858	**$ (501)**	**$ 11,359**	**$ 4**	**$ 11,355**	**PMI Total**	**$ 10,604**	**2.4%**	**7.1%**	**7.1%**

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 Nine Months Ended September 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
$ 3,232	$ —	$ 3,232	$ (306)	$ 3,538	$ —	$ 3,538	European Union	$ 3,548	$ (23)	$ 3,571	(9.5)%	(0.9)%	(0.9)%
2,805	—	2,805	(183)	2,988	4	2,984	EEMA	2,482	(18)	2,500	12.2%	19.5%	19.4%
4,068	(24)	4,092	47	4,045	—	4,045	Asia	3,800	(7)	3,807	7.5%	6.3%	6.3%
753	(26)	779	(59)	838	—	838	Latin America & Canada	774	(12)	786	(0.9)%	6.6%	6.6%
$ 10,858	**$ (50)**	**$ 10,908**	**$ (501)**	**$ 11,409**	**$ 4**	**$ 11,405**	**PMI Total**	**$ 10,604**	**$ (60)**	**$ 10,664**	**2.3%**	**7.0%**	**6.9%**

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
$ 3,538	$ 7,046	50.2%	$ 3,538	$ 7,046	50.2%	European Union		$ 3,571	$ 7,004	51.0%	(0.8)	(0.8)
2,988	6,604	45.2%	2,984	6,577	45.4%	EEMA		2,500	5,909	42.3%	2.9	3.1
4,045	8,452	47.9%	4,045	8,451	47.9%	Asia		3,807	8,058	47.2%	0.7	0.7
838	2,611	32.1%	838	2,611	32.1%	Latin America & Canada		786	2,455	32.0%	0.1	0.1
$ 11,409	**$ 24,713**	**46.2%**	**$ 11,405**	**$ 24,685**	**46.2%**	**PMI Total**		**$ 10,664**	**$ 23,426**	**45.5%**	**0.7**	**0.7**

(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 Nine Months Ended September 30,
(Unaudited)

	2012	2011	% Change
Reported Diluted EPS	**$ 3.92**	**$ 3.76**	**4.3%**
Adjustments:			
Asset impairment and exit costs	0.02	0.03	
Tax items	0.05	(0.02)	
Adjusted Diluted EPS	**$ 3.99**	**$ 3.77**	**5.8%**
Less:			
Currency impact	(0.19)		
Adjusted Diluted EPS, excluding Currency	**$ 4.18**	**$ 3.77**	**10.9%**

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

	2012	2011	% Change
Reported Diluted EPS	**$ 3.92**	**$3.76**	**4.3%**
Less:			
Currency impact	(0.19)		
Reported Diluted EPS, excluding Currency	**$ 4.11**	**$3.76**	**9.3%**

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 September 30, 2012			For the Year Ended December 31, 2011
	October ~ December 2011	January ~ September 2012	12 months rolling	
Earnings before income taxes	$ 2,749	$ 9,997	$ 12,746	$ 12,532
Interest expense, net	187	633	820	800
Depreciation and amortization	250	665	915	993
EBITDA	**$ 3,186**	**$ 11,295**	**$ 14,481**	**$ 14,325**

	September 30, 2012	December 31, 2011
Short-term borrowings	$ 2,141	$ 1,511
Current portion of long-term debt	2,775	2,206
Long-term debt	17,520	14,828
Total Debt	**$ 22,436**	**$ 18,545**
Less: Cash and cash equivalents	4,817	2,550
Net Debt	**$ 17,619**	**$ 15,995**
Ratios		
Total Debt to EBITDA	**1.55**	**1.29**
Net Debt to EBITDA	**1.22**	**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 Nine Months Ended September 30,
($ in millions)
(Unaudited)

	For the Quarters Ended September 30, 2012	For the Quarters Ended September 30, 2011	% Change	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011	% Change
Net cash provided by operating activities[a]	**$2,393**	**$3,053**	**(21.6)%**	**$ 7,771**	**$ 9,568**	**(18.8)%**
Less:						
Capital expenditures	243	223		719	568	
Free cash flow	**$2,150**	**$2,830**	**(24.0)%**	**$ 7,052**	**$ 9,000**	**(21.6)%**
Less:						
Currency impact	169			(270)		
Free cash flow, excluding currency	**$1,981**	**$2,830**	**(30.0)%**	**$ 7,322**	**$ 9,000**	**(18.6)%**

	For the Quarters Ended September 30, 2012	For the Quarters Ended September 30, 2011	% Change	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011	% Change
Net cash provided by operating activities[a]	**$2,393**	**$3,053**	**(21.6)%**	**$ 7,771**	**$ 9,568**	**(18.8)%**
Less:						
Currency impact	139			(316)		
Net cash provided by operating activities, excluding currency	**$2,254**	**$3,053**	**(26.2)%**	**$ 8,087**	**$ 9,568**	**(15.5)%**

(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**

Philip Morris International Inc.
2012 Third-Quarter Results Conference Call
October 18, 2012

NICK ROLLI

(SLIDE 1.)

Welcome. Thank you for joining us. Earlier today, we issued a press release containing detailed information on our 2012 third-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 third-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 Jacek Olczak, our Chief Financial Officer.

Jacek.

JACEK OLCZAK

(SLIDE 4.)

Thank you Nick, and welcome ladies and gentlemen.

We remain confident that the fundamentals of our business are solid, despite the difficult comparisons in the third-quarter that we have previously discussed. We expect to achieve our annual organic volume growth target of 1% and adjusted diluted EPS growth in line with our mid-to-long term constant currency annual growth target for the full year 2012.

Today, we narrowed the range of our 2012 reported diluted earnings per share guidance to $5.12 to $5.18, compared to $4.85 in 2011.

This guidance includes unfavorable currency of 23 cents, a tax charge of 5 cents related to the closing of the U.S. Federal Income Tax Audit for the years 2004 – 2006 and 2 cents for asset impairment and exit costs.

Excluding the impact of currency, the aforementioned tax charge and asset impairment and exit costs, our guidance implies a growth rate of approximately 11% to 12%, compared to an adjusted diluted EPS of $4.88 in 2011. Let me remind you that if we exclude the 10 cent hurdle due to Japan in 2011, the growth rate would be even higher at 13.5% to 14.5%.

Our revised guidance also reflects increased investments in marketing, sales and distribution, particularly in the Asia and EEMA Regions.

(SLIDE 5.)

Turning to our third-quarter results.

We posted our strongest-ever quarterly results this time last year, with organic cigarette volume growth of 4.4% and adjusted diluted EPS up 33% on a currency-neutral basis.

As expected, therefore, our third quarter results this year suffered from these very tough comparisons with organic cigarette volume down 1.3% and adjusted diluted EPS up only 5.8% on a currency-neutral basis.

(SLIDE 6.)

Through the end of September this year, we have achieved strong results with organic cigarette volume up by 0.7%. Excluding currency and acquisitions, our net revenues and adjusted OCI have increased by 5.4% and 6.9%, respectively. Adjusted diluted EPS has grown on a currency-neutral basis by 10.9%.

(SLIDE 7.)

Let me now move to the European Union where economic conditions continue to be very difficult.

Unemployment continues to rise in the southern European countries, most notably Spain. Consequently, tax-paid cigarette volumes were down at a double-digit rate in the quarter in Greece, Spain and Italy while, in contrast, the decline in Germany was a much more moderate 2.0%. For the EU Region as a whole, the decline was 7.5%, an improved trend compared to the second quarter, and down 6.5% through the first nine months of the year. For the full-year 2012, we still expect that cigarette industry volume will decline by about 6%.

(SLIDE 8.)

A key component in the decline of the duty-paid cigarette markets in Southern Europe has been adult smokers switching to lower-taxed fine cut products and to illicit cigarettes. This can be illustrated by Italy, where the duty-paid cigarette industry volume declined by 10.1% during the third quarter, while fine cut grew by 41%. In addition, the incidence of non-domestic illicit trade for 2012 in Italy is expected to reach approximately 9%, up from an estimated 6.5% in 2011.

Our business performed very well in this difficult environment. *Marlboro* gained 0.8 points in the quarter to reach a cigarette market share of 23.5%. This was sufficient, along with the 0.4 share points gained by *Philip Morris Selection*, to more than offset the share decline of our traditional local brand *Diana.* Overall, PMI's market share rose by 0.2 points to 53.2%. We are now also the leader in the fine cut category and doubled our share to 27.2% behind *Chesterfield* and the launch of *Diana*.

(SLIDE 9.)

In Germany, where unemployment remains low, cigarette industry volume declined just 2.0% in the third quarter, while sales of fine cut products increased by 2.3%. These robust trends took place despite tax-driven retail price increases earlier this year, and were due in part to a reduction in border sales.

Marlboro continued to gain share in the cigarette category in the third quarter, up 0.2 points to 21.0%. With *L&M* essentially stable at 10.2%, our overall cigarette market share was in line with 2011.

(SLIDE 10.)

In the EU Region as a whole, economic conditions will remain difficult until the issue of unemployment is tackled. In the third quarter, our cigarette shipments declined by 8.1%, or 4.6 billion units, driven by the 7.5% decrease in industry volume. Our fine cut volume, in contrast, increased by 15.2%. The drop in our cigarette volume can be, in large part, attributed to an increase in illicit trade, particularly in southern European countries where total tobacco smoking incidence levels have remained relatively stable.

We are very pleased by the performance of *Marlboro* in the quarter. In an obviously difficult environment for premium brands, *Marlboro* was able to expand its market share by 0.4 points to 18.4%. *Marlboro*'s share grew not only in Germany and Italy, but also in markets such as Belgium, Greece and across Central Europe, notably Poland.

L&M remained resilient despite a 0.2 share points decline to 6.5%, attributable to adult smokers up-trading to *Marlboro* in Greece and Poland. *Chesterfield* gained 0.3 points to reach 3.5%, reinforcing our overall position in the low-price segment. Overall, our cigarette market share remained stable at 38.1%, while we further expanded our position in fine cut, adding 0.6 points to reach a category share of 13.4%.

Across the EU Region, our pricing remained strong, the latest increase having taken place this month in France. However, the positive pricing variance was insufficient to offset the volume decline. Net revenues and adjusted OCI, excluding currency, were consequently down by 1.9% and 2.9%, respectively. This also reflects the continued investments behind our brands and field sales force. In the first nine months of the year, adjusted OCI on the same basis has decreased by just 0.9%, and we remain confident that we should be able to achieve an increase in profitability, excluding currency, in the EU Region for the full-year 2012.

(SLIDE 11.)

Our results in the Asia Region were impacted by the difficult volume comparisons in Japan and Korea, where our shipments grew by 47.1% and 22.4%, respectively, in the third quarter of 2011. We also faced challenging comparisons in Indonesia, where we achieved a 22.5% volume increase in the third quarter of last year. Nevertheless, our volume this quarter in Indonesia grew by a further 13.0% as we continued to increase our share in this growing market.

Adjusted OCI, excluding currency and acquisitions, grew by 1.2% in the Asia Region during the quarter, this despite the unfavorable geographic mix. Improved profitability in Indonesia and higher pricing across the Region more than offset the impact of lower volumes in Japan and Korea. Importantly, our market share in Korea has sequentially improved from the second to third quarter of this year and is at a higher margin following our price increase in February 2012.

(SLIDE 12.)

Industry volume in Japan declined by 7.7% in the quarter, compared to a very distorted third quarter last year when distributor and trade inventories had been replenished to ensure adequate stock levels following the events in Japan. Nevertheless, we still expect stable industry volume for the full-year 2012.

PMI's market share of 27.5% in the third quarter reflects a continued positive trend for *Marlboro*, which increased its quarterly share sequentially in 2012 to 12.5%. On a September year-to-date basis, PMI's market share of 27.8% remains nearly 3 share points higher than the level before the events unfolded in Japan last year.

However, we have witnessed unusually high levels of competitive product introductions, which have put pressure on our traditional brands, *Lark* and *Philip Morris*. We continue to develop our innovation pipeline and expect *Marlboro*'s positive momentum to continue. For the full-year, we are now expecting our market share to be slightly below our 2011 exit share of approximately 28%.

(SLIDE 13.)

Our leading position and our strong share momentum in Indonesia give us a unique position in the global tobacco industry. Market growth is expected to continue, driven by favorable demographics. In addition, improving consumer purchasing power is helping to drive uptrading, with the premium segment reaching a share of 27.4% in the third quarter, compared to 24.9% a year ago.

In the third quarter, we witnessed a decline in the low price segment, where retail selling prices have increased at a faster rate than in other price segments. As a result, combined with the anticipated enforcement of Decree 191 by the end of November, which will eliminate a tax loophole, we expect industry volume to grow in the range of 6-7% for the full-year 2012.

Our volume increased by a further 13.0% in the third quarter and market share grew by 3.3 points to 34.9% with a particularly strong performance from premium-price *Sampoerna A* in the kretek category and *Marlboro* in the "white" cigarette category.

(SLIDE 14.)

Let me conclude the Asia Region with an update on plain packaging. As you know, the Australian High Court ruled in August that the plain packaging legislation does not violate the Australian Constitution and on October 5th issued its reasoning.

In reaching their conclusion, 6 of the 7 High Court judges recognized that plain packaging deprives tobacco companies of valuable intellectual property.

The conclusions of the High Court are significant for other governments considering plain packaging as they demonstrate that plain packaging is a deprivation of property, something that we expect would raise serious questions about the legality of plain packaging legislation in other jurisdictions.

The ruling turned on the specific, if not unique, nature of the Australian Constitution, which provides broad powers to the Commonwealth Parliament to make laws but contains few protections for basic rights. Australian law is violated only if the Government, as the taker of property, receives a proprietary benefit from that property. Despite the fact that property was taken, the Court found that the government did not "acquire" the property because it did not receive such a proprietary benefit. By contrast, the law in Europe and other countries is different. For example, in contrast to the Australian Constitution, the Constitutions of the EU Member States generally contain strong protections for fundamental rights and place limits on the powers of central governments. A finding that manufacturers have been "deprived" of property would, in our view, amount to a violation of a number of EU and Member State laws.

Due to the scope of this specific case, the Australian High Court did not rule on whether plain packaging will reduce smoking prevalence or whether plain packaging breaches Australia's international trade and treaty obligations.

The High Court ruling confirms that other ongoing international legal cases are strong and that the Australian government is at serious risk of having to pay substantial compensation in these cases or bring its plain packaging measures into conformity with international treaties, or both.

(SLIDE 15.)

Three countries have already initiated proceedings against Australia before the World Trade Organization (WTO) on the ground that the plain packaging legislation is contrary to Australia's obligations as a WTO member. PM Asia is suing the Australian government for multiple breaches of its Bilateral Investment Treaty with Hong Kong. Decisions in these cases are expected within two to three years. In broad terms, these cases will examine a number of issues, including:

- Whether there is any valid evidence that plain packaging will reduce smoking rates;
- Whether there are effective, less restrictive alternatives that Australia could have implemented instead;
- Whether plain packaging breaches Australia's international trade and treaty obligations; and
- Whether the Australian government will need to pay compensation to PM Asia.

We believe that the international legal cases are strong, and there is still a long way to go before all the legal questions about plain packaging are fully explored and resolved.

(SLIDE 16.)

Let me now move to the Latin America & Canada Region, which had solid share momentum in the third quarter. Although volume was down, we increased our share in the key markets of Argentina, Brazil, Colombia and

Mexico. *Marlboro* was particularly strong across the Region with share up in Brazil, Colombia and Mexico. Excluding currency, adjusted OCI increased by 10.5% in the third quarter.

(SLIDE 17.)

The EEMA Region was our strongest performer in the quarter, this despite a challenging comparison. Volume grew by 3.0% with continued strong business momentum in Russia and Turkey, as well as an improving market climate in Egypt.

Higher volumes, a favorable mix, and pricing in Russia and many other markets, resulted in a growth in adjusted OCI, excluding currency and acquisitions, of 17.3%. This is the sixth consecutive quarter that our volume/mix has been favorable in the EEMA Region.

(SLIDE 18.)

Russia was a key driver of our strong EEMA Region performance, both in terms of volume and pricing. In July, we implemented a tax-driven 3 Ruble per pack price increase. Along with lower revised estimates for industry volume in the first half of the year and higher prices in the market, industry volume is now expected to show a slight decline for the full-year 2012.

Our volume, in contrast, increased by 4.5% in the quarter thanks to our good share momentum, as well as some favorable inventory adjustments. Our Nielsen market share on a quarter and year-to-date basis through the end of August was 0.7 and 0.6 points higher at 26.5% and 26.2%, respectively. *Parliament*, *Bond Street* and *Next* remain the key drivers of our stronger share performance. We are also pleased that *L&M*'s turnaround is gaining momentum, with a 0.2 share point gain in the first two months of the quarter.

(SLIDE 19.)

In Russia, the government approved amendments to the Tax Code at the end of September, including excise tax rates for the period 2013-2015. The government has reconfirmed the excise tax rates for cigarettes in 2013-2014 and extended the tax code to 2015 with an indexation of the specific excise tax set at 20%. The Duma will now review the code by mid-November and we expect a final vote by year-end.

(SLIDE 20.)

On a year-to-date September basis, *Marlboro* grew share in all four Regions, benefiting from a robust pipeline of innovative products. *Marlboro*'s share increased notably in Argentina, Germany, Indonesia, Italy, Mexico and Poland. On a worldwide basis, excluding China and the USA, the brand's share increased to 9.3%.

(SLIDE 21.)

While we are pleased by *Marlboro*'s strong performance, we are even more delighted by *Parliament* in the above premium segment. *Parliament* volume increased by 10.7% in the third quarter and by 9.4% so far this year. The brand has gained share year-to-date in four of its most important markets and is making inroads in newer markets. In Turkey, *Parliament* achieved a market share of 8.7%, representing a gain of 0.8 points August year-to-date.

(SLIDE 22.)

We continue to expand our market share in our top 30 OCI markets. Our September year-to-date share reached 37.0%. This is 0.4 points above our full-year 2011 share and 1.5 points above our full-year 2010 share.

(SLIDE 23.)

The pricing environment continues to be favorable. This is highlighted by the $505 million in pricing variance that we achieved in the third quarter and the $1.3 billion year-to-date.

(SLIDE 24.)

The combination of strong pricing, limited input cost increases and productivity savings has enabled us to continue to grow our superior adjusted OCI margin. On a PMI-wide basis, our adjusted OCI margin, excluding currency and acquisitions, reached 46.2%, a gain of 0.7 points, in the first nine months of the year.

(SLIDE 25.)

On a September year-to-date basis, our free cash flow reached $7.1 billion. Compared to the previous year, free cash flow, excluding currency, was down $1.7 billion or 18.6%. The decrease was driven by higher working capital requirements, mainly related to finished goods forestalling and the planned replenishment of tobacco leaf and clove inventories. For the full-year 2012, we expect that our free cash flow, excluding currency, will be down slightly and will not adversely impact our dividend and share repurchase programs.

(SLIDE 26.)

Our confidence in the underlying strength of the business and our ability to continue to generate significant cash flow is reflected in the 10.4% increase in our dividend that was announced last month. Since the March 2008 spin-off, we have raised the dividend five times, increasing the annualized dividend by almost 85% over the period.

(SLIDE 27.)

We spent $1.5 billion to repurchase a further 16.7 million shares in the third-quarter. Since the spin-off, we have now used almost $26 billion to repurchase nearly 467 million shares at an average price of $55.49. We continue to target spending of $6 billion this year.

(SLIDE 28.)

In conclusion, the third quarter of 2012 was, as expected, a difficult quarter in terms of comparisons with last year's record third quarter.

Looking at our performance year-to-date through September, we remain confident that for the full year 2012, we should be able to deliver on our 1% organic volume annual growth target, driven by strong performances in the Asia and EEMA Regions.

We narrowed the range of our 2012 reported diluted EPS guidance to $5.12 to $5.18. Excluding the impact of currency, a tax charge and asset impairment and exit costs, our guidance implies a growth rate of approximately 11% to 12%.

Finally, we remain steadfast in our commitment to deliver superior returns to our shareholders evidenced by the fifth consecutive increase in our dividend since the spin and our $6 billion target for share repurchases this year.

(SLIDE 29.)

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

NICK ROLLI

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

Thank you again and have a nice day.

Exhibit 99.3

PHILIP MORRIS INTERNATIONAL

2012 Third-Quarter Results

October 18, 2012

Introduction

PHILIP MORRIS INTERNATIONAL

- Unless otherwise stated, we will be talking about results for the third-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

PHILIP MORRIS INTERNATIONAL

- 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 June 30, 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

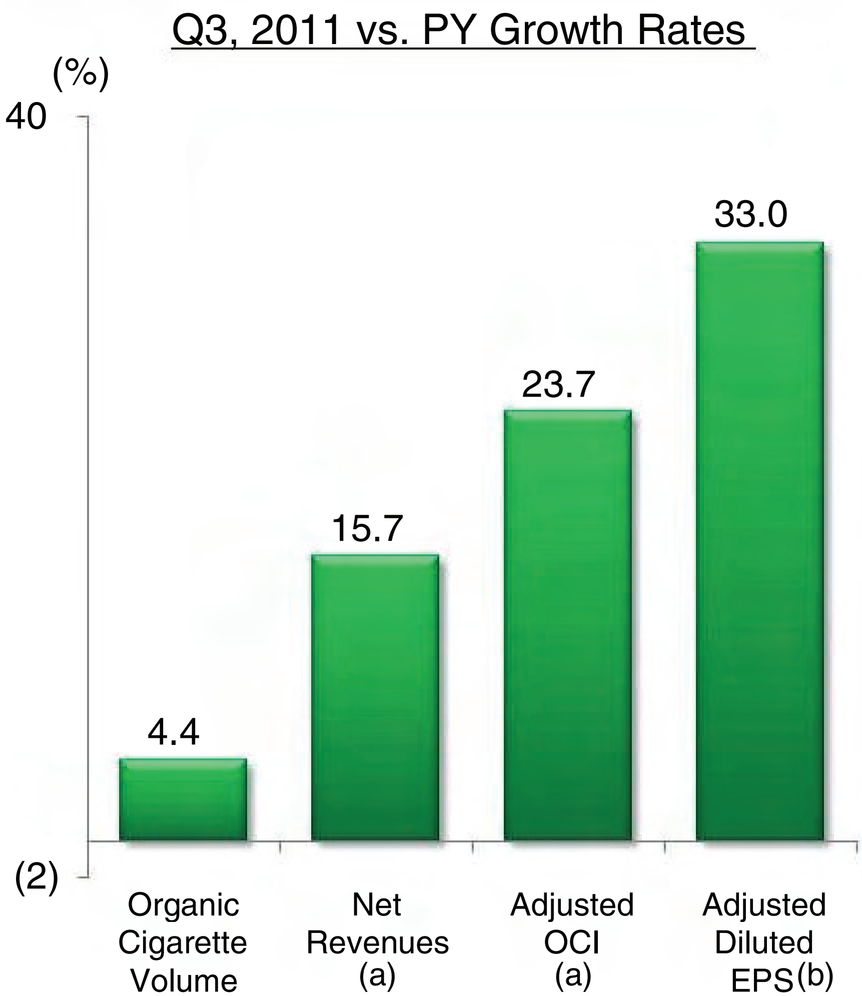
2012 EPS Guidance

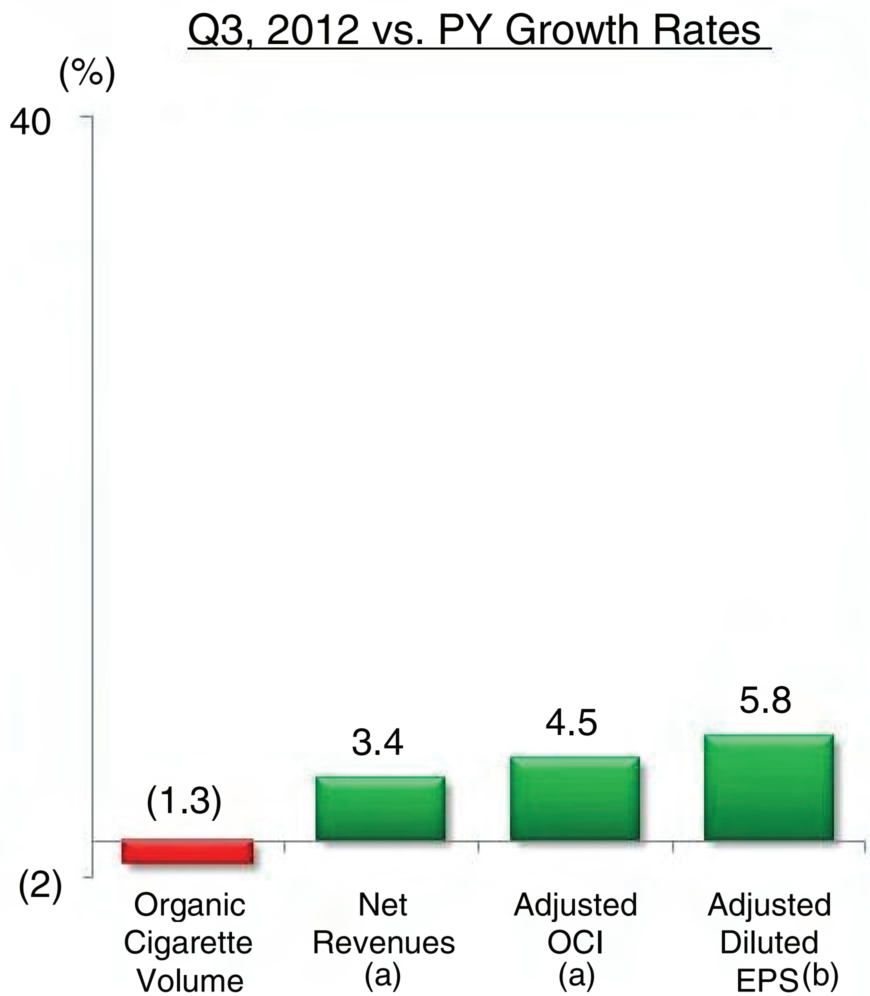
PHILIP MORRIS INTERNATIONAL

- Narrowed 2012 reported diluted EPS guidance range to $5.12 to $5.18, compared to $4.85 in 2011
- New guidance includes:
  - 23 cents for unfavorable currency
  - 5 cents for tax charge
  - 2 cents for asset impairment and exit costs
- Excluding the impact of currency, tax charge and asset impairment and exit costs, new guidance represents a growth rate of approximately 11% to 12% compared to adjusted diluted EPS of $4.88 in 2011

Source: PMI forecasts

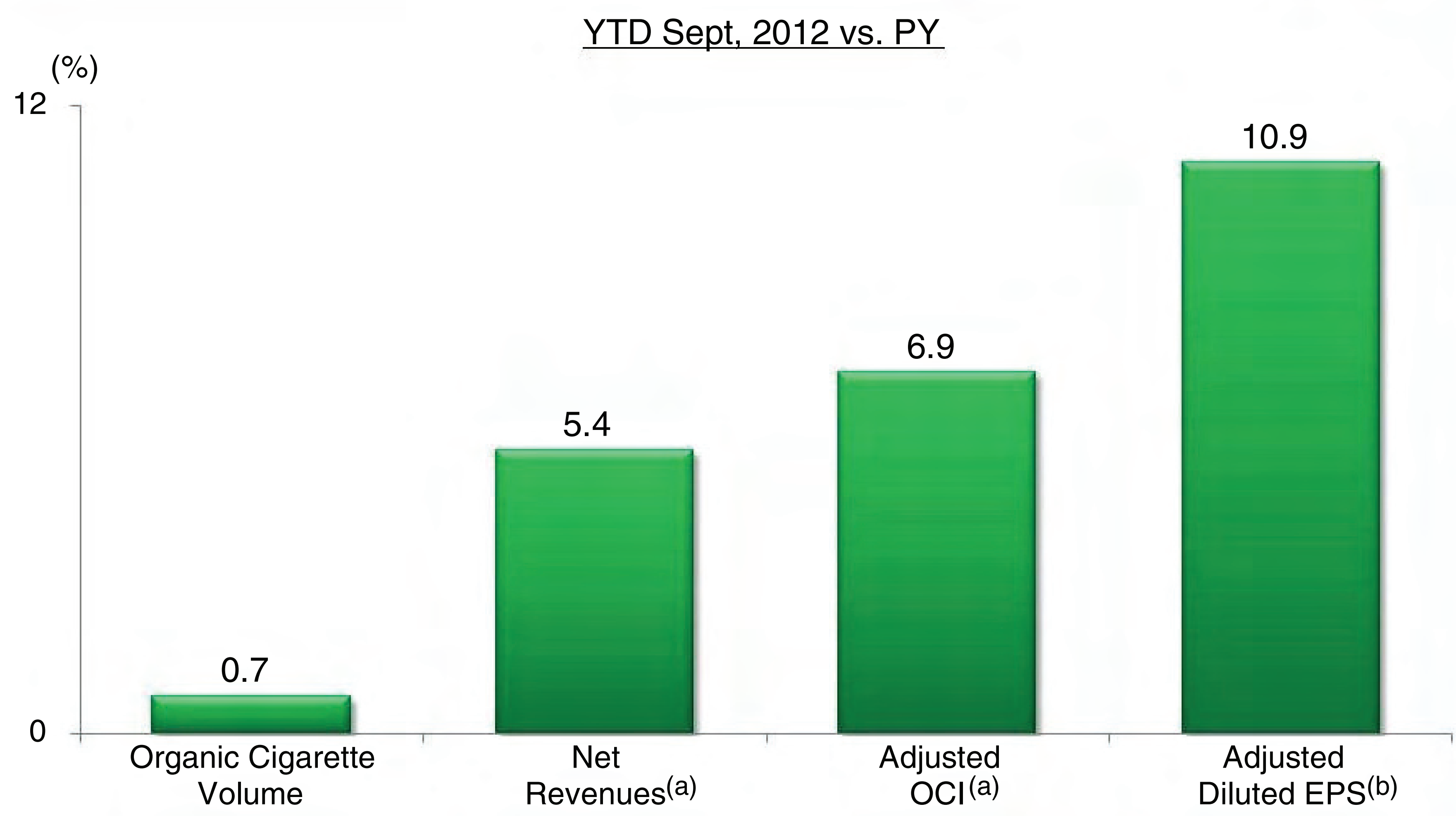
Q3, 2012: Very Difficult Comparisons due to Exceptional Results in Q3, 2011





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

YTD Sept, 2012: Volume Growth and Strong Financial Results



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

EU Region: Unemployment Depressing Cigarette Tax-Paid Volumes

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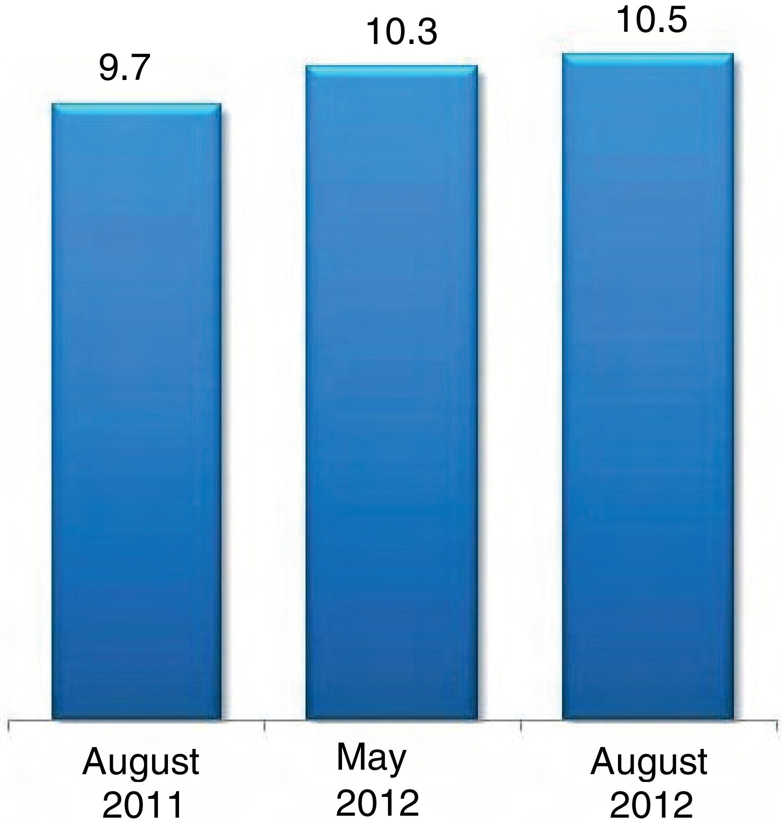
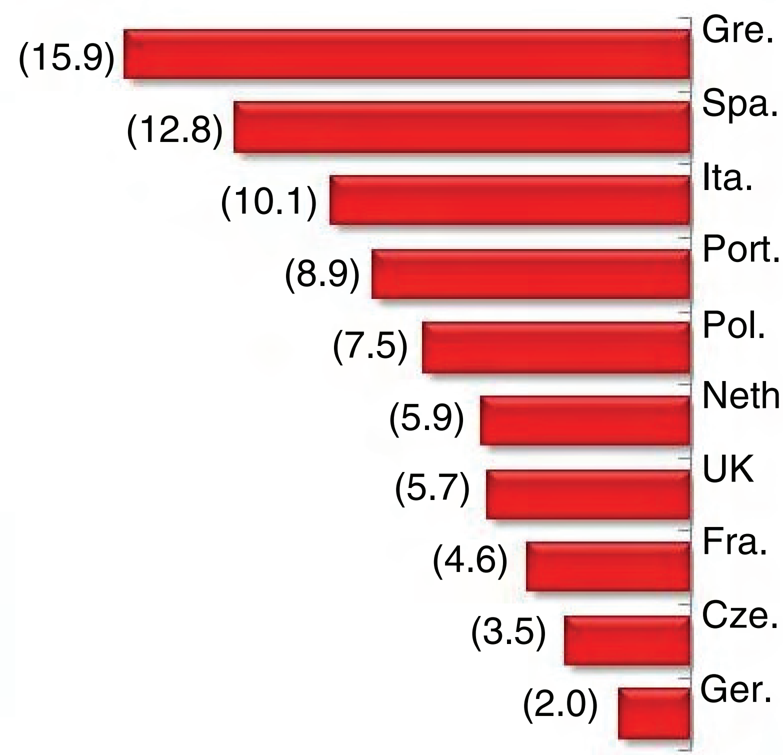
Average Unemployment Rates in EU (%)



Industry Volume Decline (%)
Q3, 2012 vs. PY



Note: Gre. is Greece, Spa. is Spain, Ita. is Italy, Port. is Portugal, Pol. is Poland, Neth. is Netherlands, UK is United Kingdom, Fra. is France, Cze. is Czech Republic and Ger. is Germany
Source: Eurostat and PMI estimates

Italy: PMI Share Growth in Cigarettes and Fine Cut

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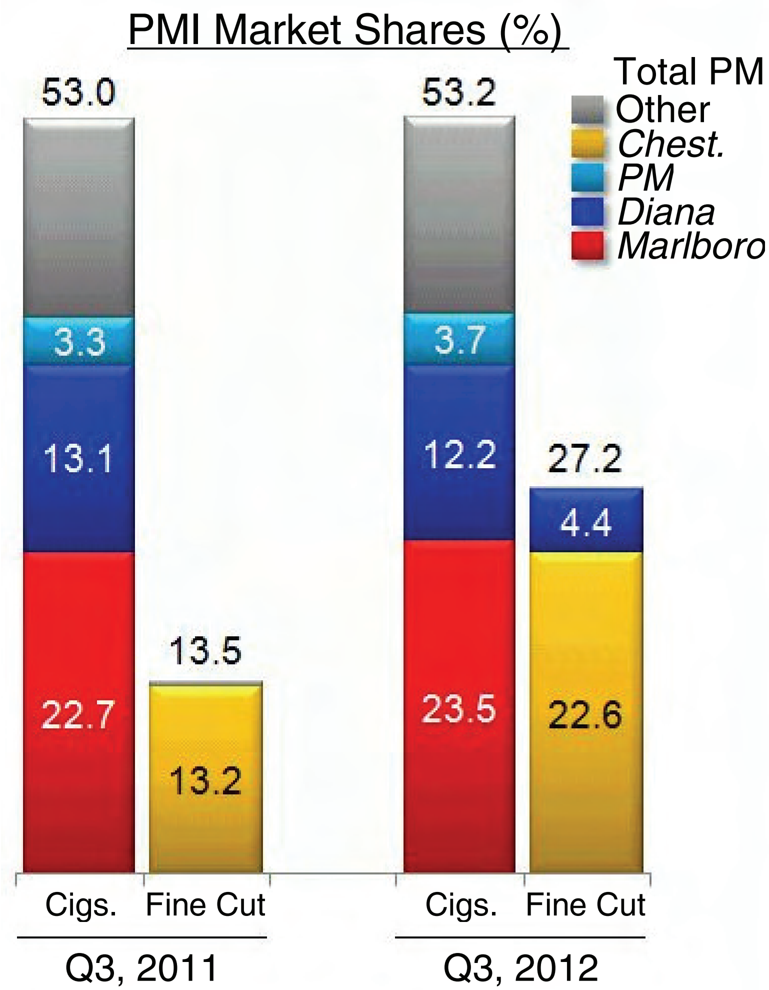
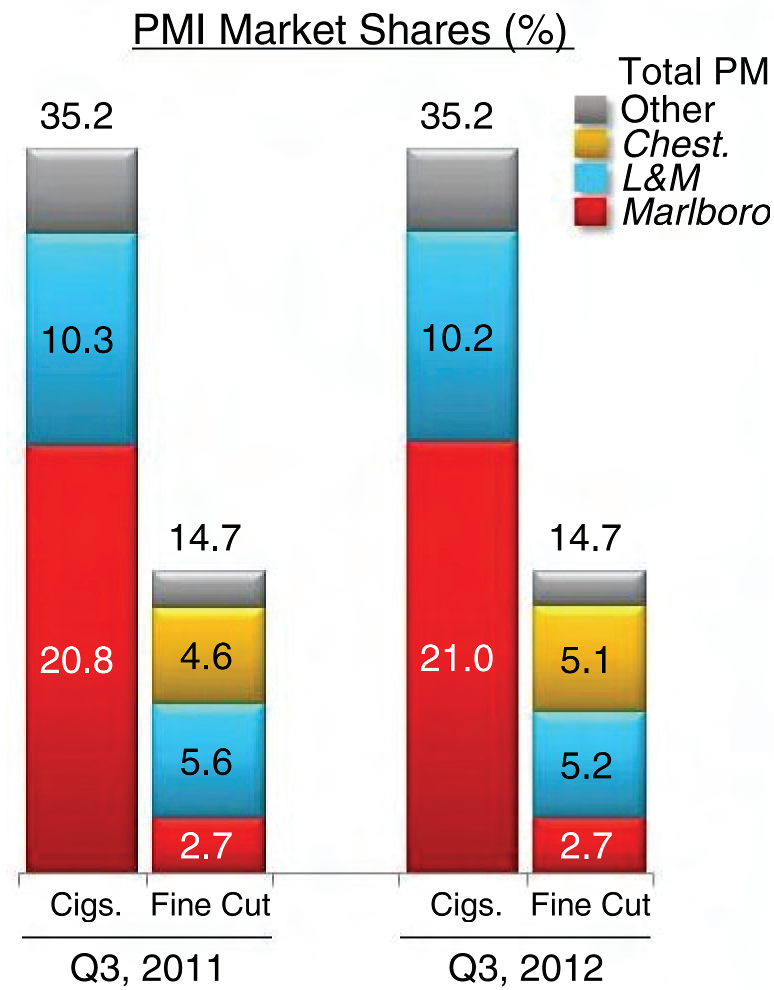
- Adult smokers switching to lower-taxed fine cut, and illicit trade
- Cigarette industry volume declined by 10.1% in Q3 2012, while fine cut increased by 41%
- PMI share growth in cigarettes, driven by *Marlboro,* and fine cut, driven by *Chesterfield*
- Illicit trade incidence in 2012 estimated at around 9%



Note: Cigs. is cigarettes, *Chest.* is *Chesterfield* and *PM* is *Philip Morris*
Source: PMI estimates

Germany: Moderate Decline in Cigarette Market

- Cigarette industry volume decline of just 2.0% in Q3, 2012, and fine cut increased by 2.3%
- *Marlboro* gained share in Q3, 2012 to reach 21.0% of the cigarette category



Note: Cigs. is cigarettes and *Chest.* is *Chesterfield*
Source: PMI estimates

EU Region: Good Underlying Business Performance But Tough Economic Conditions

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- Organic cigarette volume decline of 8.1% in Q3, 2012
- Organic fine cut volume increased 15.2%
- *Marlboro* cigarette market share grew by 0.4 points to 18.4% in Q3, 2012, with gains in Belgium, Germany, Greece, Italy and across Central Europe, notably Poland
- *L&M* cigarette market share down by 0.2 points to 6.5%
- *Chesterfield* cigarette market share up 0.3 points to 3.5%
- PMI overall share stable in cigarettes at 38.1% and up by 0.6 points to 13.4% in fine cut
- Net revenues and adjusted OCI, excluding currency, declined by 1.9% and 2.9%, respectively, in Q3, 2012
- For full-year 2012, we expect to deliver a slight increase in profitability, excluding currency

Source: PMI Financials, PMI estimates and PMI forecasts

Asia Region: Indonesia Volume Gains, but Difficult Comparisons in Japan and Korea

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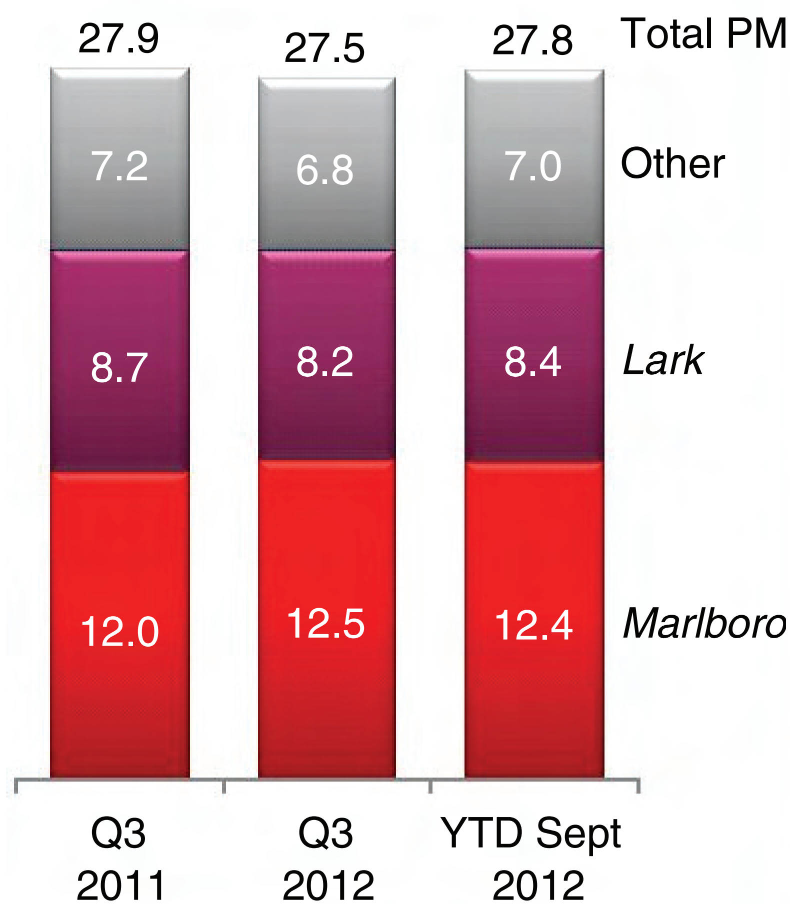
	% Change vs. Prior Year	
	Q3, 2011	Q3, 2012
Volume:		
– Japan	47.1 %	(13.4)%
– Korea	22.4	(8.9)
– Indonesia	22.5	13.0
– Total Asia Region	12.6	0.6
Adjusted OCI (a)	75.1 %	1.2 %

(a) Excluding currency and acquisitions
Source: PMI Financials

Japan: Very Difficult Comparisons in Q3, 2012

- Industry volume declined 7.7% compared to the distorted Q3, 2011
- Full-year 2012 industry volume expected to be in line with 2011
- PMI share of 27.5% in Q3, 2012 reflects continued positive trend for *Marlboro*
- Full-year 2012 market share expected to be slightly below 2011 exit share of approximately 28%

PMI Market Share (%)

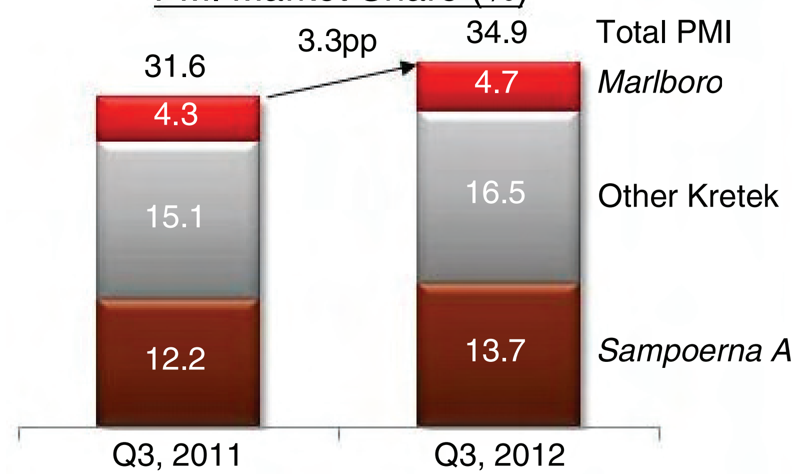


Source: PMI estimates and Tobacco Institute of Japan

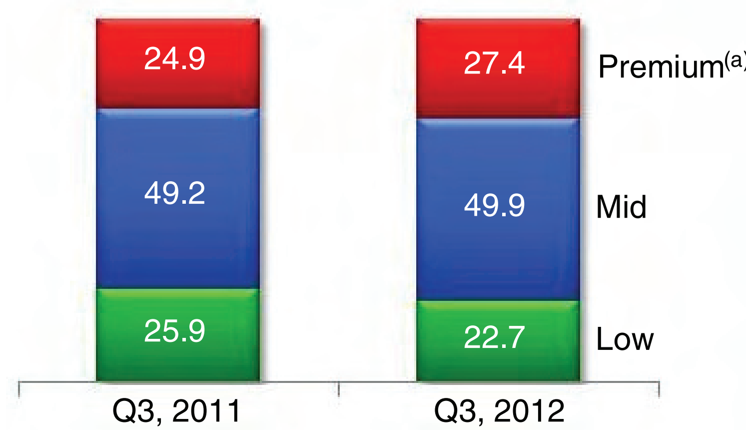
Indonesia: Unique Growth Opportunity for PMI

- Industry volume expected to grow 6-7% for full year
- PMI volume up a further 13.0% and share grew 3.3 points in Q3, 2012
- Decree 191 expected to be enforced by end of November

PMI Market Share (%)



Price Segments (%)



(a) Includes above premium
Source: PMI estimates and PMI Financials

Plain Packaging: Australia

PHILIP MORRIS INTERNATIONAL

- The High Court issued its reasoning on plain packaging law
- Despite the Court's decision, 6 of the 7 judges recognized that plain packaging deprives tobacco companies of valuable intellectual property
- The recognition that plain packaging results in a deprivation of property raises serious questions about the legality of plain packaging legislation in other jurisdictions
- Ruling turned on the specific nature of the Australian Constitution
- The High Court did not rule on whether plain packaging will reduce smoking prevalence or whether plain packaging breaches Australia's international trade and treaty obligations
- The High Court ruling also confirms that other ongoing international legal cases are strong

Plain Packaging: Other International Challenges

PHILIP MORRIS INTERNATIONAL

- Three countries have already initiated proceedings against Australia before the World Trade Organization
- PM Asia is suing the Australian government for multiple breaches of its Bilateral Investment Treaty with Hong Kong
- Decisions in these cases are expected within two to three years
- The international legal cases are strong, and there is still a long way before all the legal questions about plain packaging are fully explored and resolved

Latin America & Canada: Solid Share Momentum Despite Volume Decline

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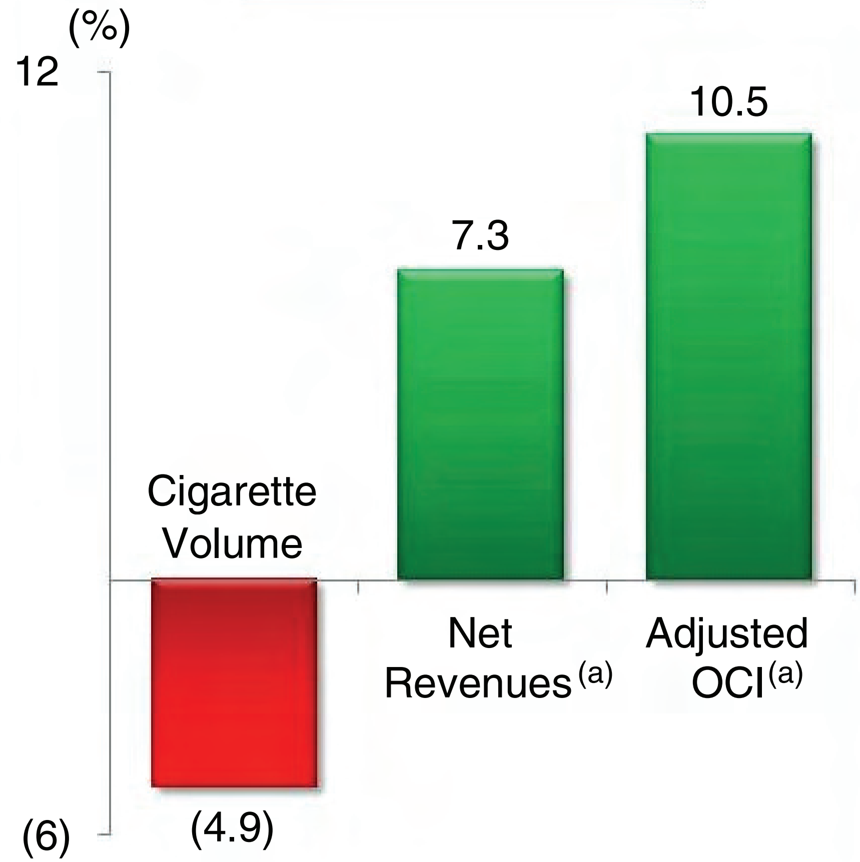
PMI Market Shares

	Q3, 2011	Q3, 2012	Variance
Argentina	73.9%	75.0%	1.1pp
Brazil	13.3	14.8	1.5
Colombia	48.4	51.0	2.6
Mexico	73.2	73.6	0.4

- Strong *Marlboro* market share performance in Q3, 2012:
  - Brazil +1.3pp to 8.2%
  - Colombia +1.1pp to 6.0%
  - Mexico +0.8pp to 53.6%

Growth Q3, 2012 vs. PY



(a) Excluding currency
Source: PMI estimates and PMI Financials

EEMA Region: Excellent Results Driven by Russia

PHILIP MORRIS INTERNATIONAL

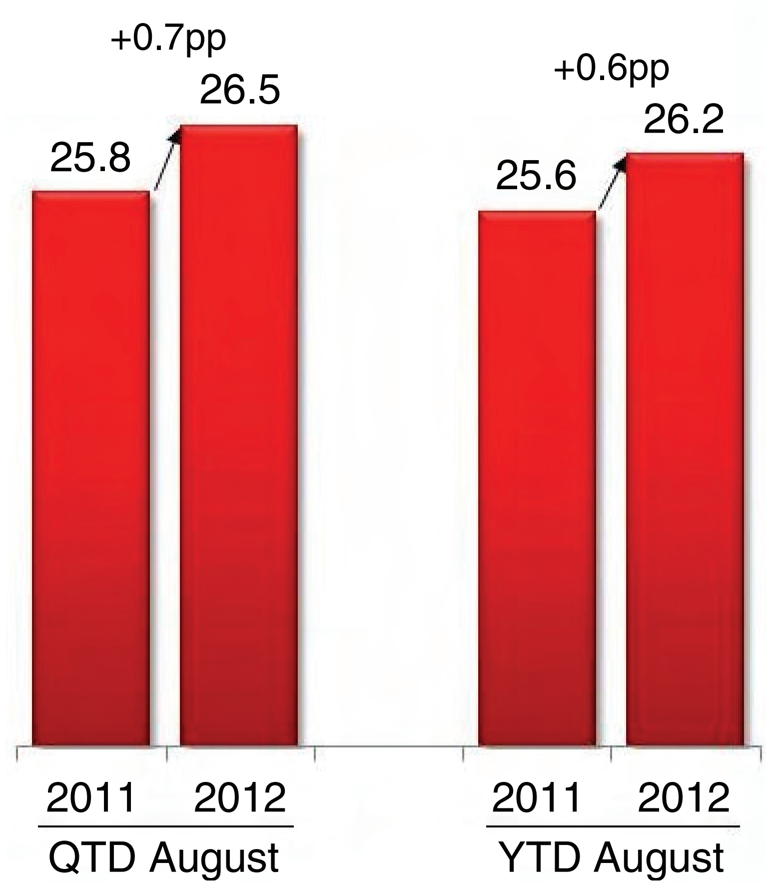
	% Change vs. Prior Year	
	Q3, 2011	Q3, 2012
Volume:		
– Russia	(3.5)%	4.5 %
– Turkey	21.6	1.8
– Egypt	(19.9)	54.4
– Total EEMA Region	5.1	3.0
Adjusted OCI[(a)]	13.8 %	17.3 %

(a) Excluding currency and acquisitions
Source: PMI Financials

Russia: PMI Market Share Momentum

- RUB 3/pack July tax-driven price increase
- Industry volume expected to be down slightly in full-year 2012
- PMI volume increased by 4.5% in Q3, 2012
- PMI share momentum continued, as we leverage investments in brands and infrastructure
- *Parliament, L&M, Bond Street* and *Next* key drivers of market share expansion

PMI Market Share (%)



Source: PMI estimates, PMI Financials and Nielsen

Russia: Excise Tax Structure Proposal (2013-2015)

PHILIP MORRIS INTERNATIONAL

- Government approved amendments to Tax Code in September
- 2013-2014 excise tax rates for cigarettes remain as per current Tax Code
- Duma to review by mid-November and vote by year-end

	2012	2013	2014	2015
Ad Valorem Excise Tax (% of RSP)	7.5%	8.0%	8.5%	9.0%
Change vs. Prior Year	0.5pp	0.5pp	0.5pp	0.5pp
Specific Excise Tax (RUB/000)	390	550	800	960
Growth -%	39.3%	41.0%	45.5%	20.0%
Minimum Excise Tax (RUB/000)	510	730	1,040	1,250
Growth -%	41.7%	43.1%	42.5%	20.2%
VAT	18%	18%	18%	18%
Pass-On (RUB/pack) [(a)]	4	6	9	6

Note: VAT is nominal
(a) 2012 pass-on represents full year

Solid *Marlboro* Market Share Performance

PHILIP MORRIS INTERNATIONAL

	Market Shares			
	2009	2010	2011	YTD Sept 2012
Asia[a]	5.8%	6.1%	6.4%	6.5%
EEMA	6.4	6.5	6.8	7.0
EU	18.4	18.2	18.0	18.2
LA&C	13.8	14.1	13.8	14.3
Total [a][b]	**9.0**	**9.1**	**9.2**	**9.3**

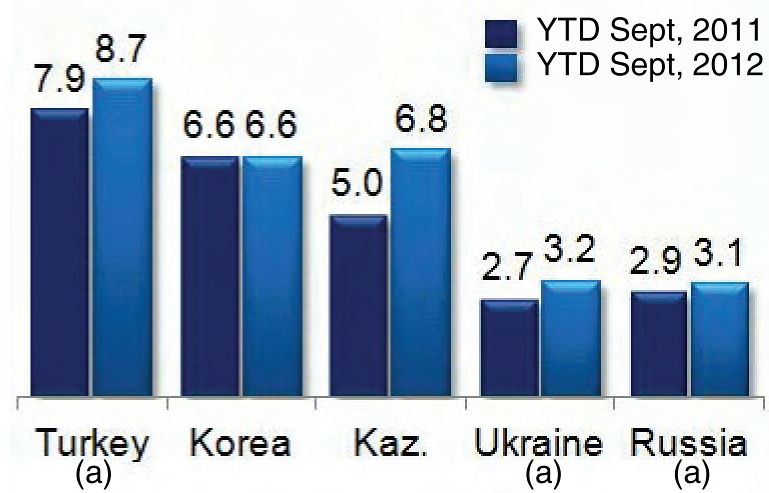
(a) Excluding China
(b) Also excluding the USA
Source: PMI estimates

Parliament: Double-Digit Volume Increase

PHILIP MORRIS INTERNATIONAL

- Priced at a premium to *Marlboro* in most markets: superior margins
- *Parliament* volume increased by 10.7% in Q3, 2012, and by 9.4% YTD September, 2012
- *Parliament* gained share in four of its most important markets this year

PMI Market Shares
YTD Sept, 2012 vs. PY (%)



(a) YTD August
Note: Kaz. is Kazakhstan
Source: PMI Financials, Nielsen, Hankook Research and PMI estimates

PMI Expanding its Market Share

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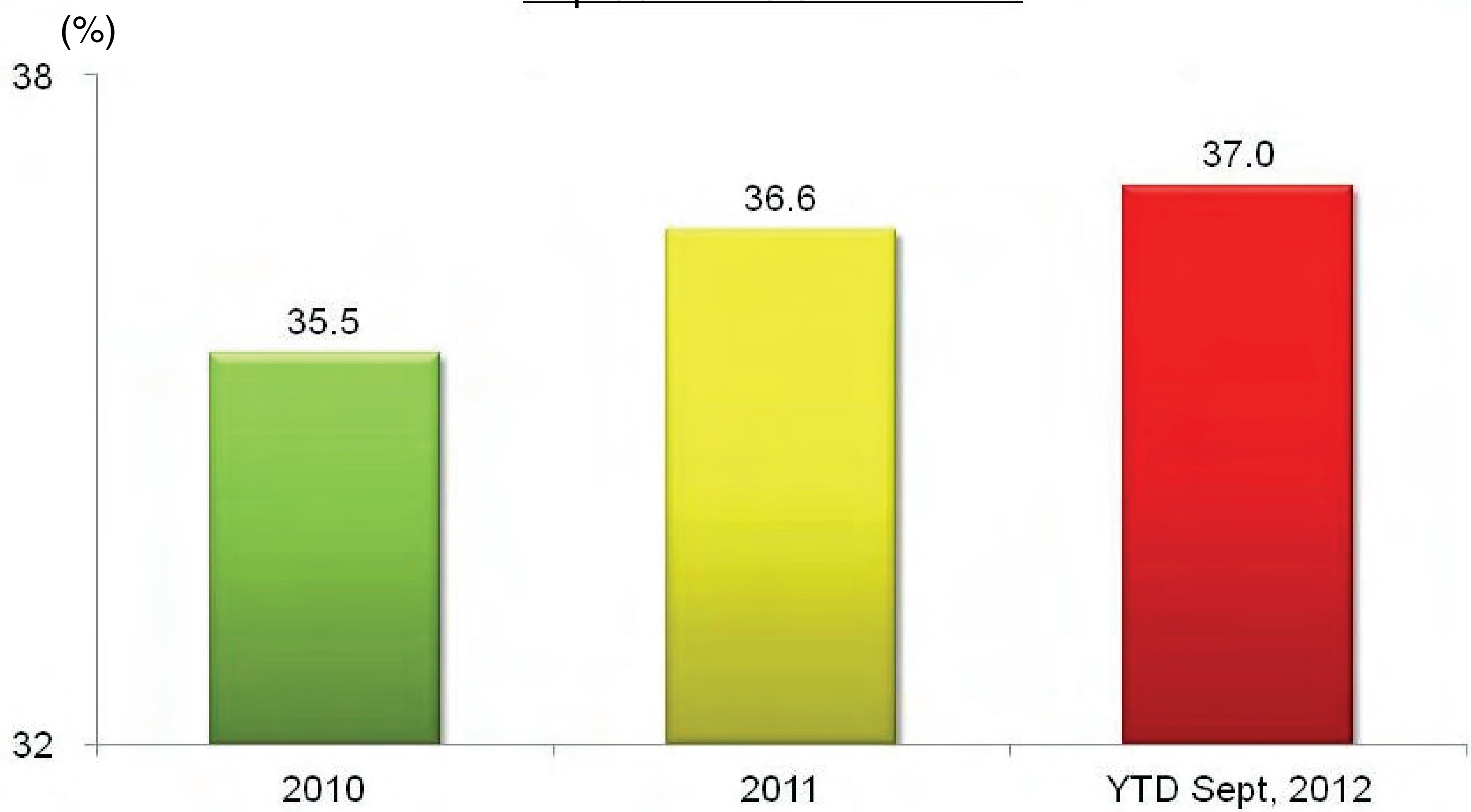
Top 30 PMI OCI Markets[a]



(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

Favorable Pricing Continued in Q3, 2012

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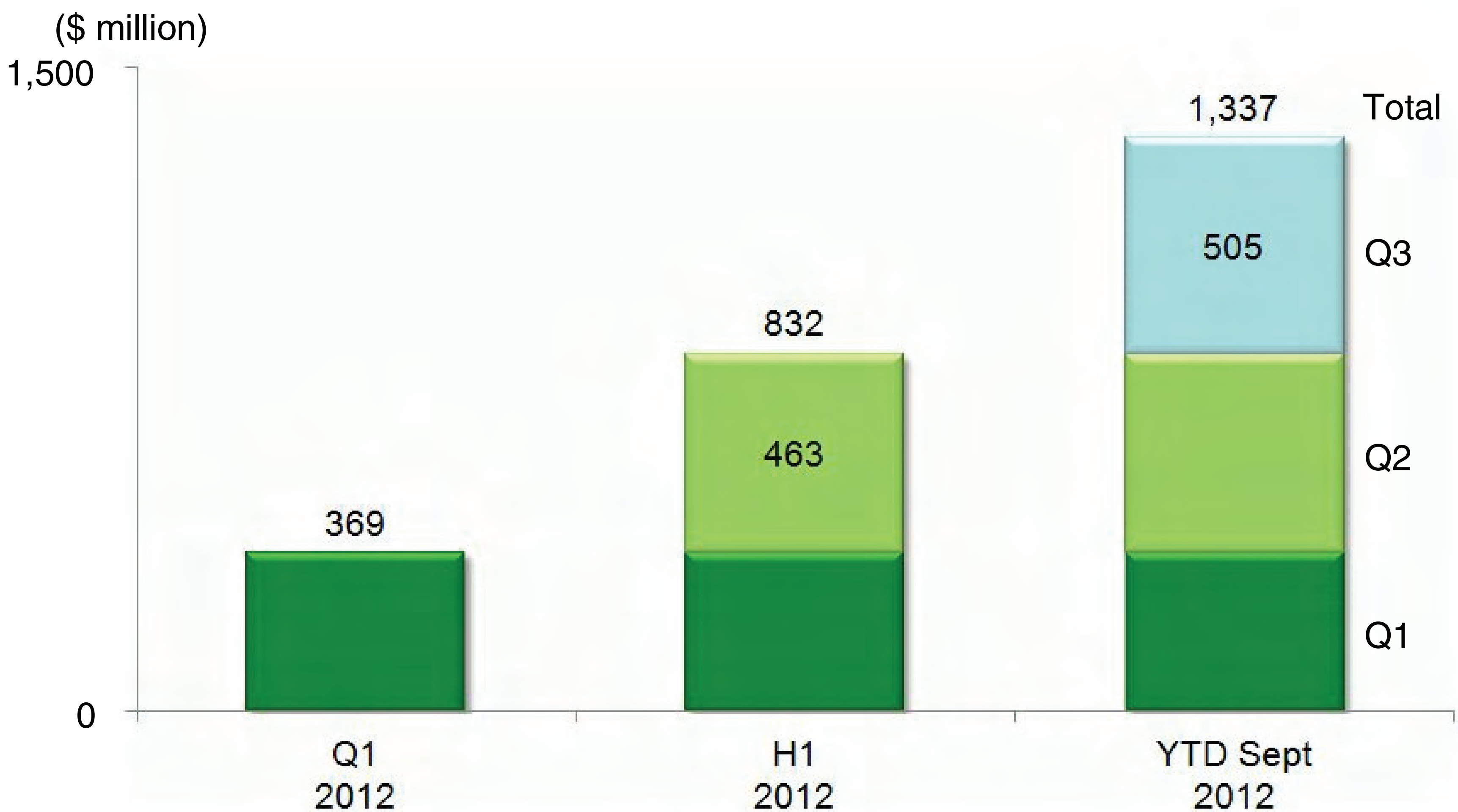


Note: Variances at OCI level
Source: PMI Financials

Margin Expansion

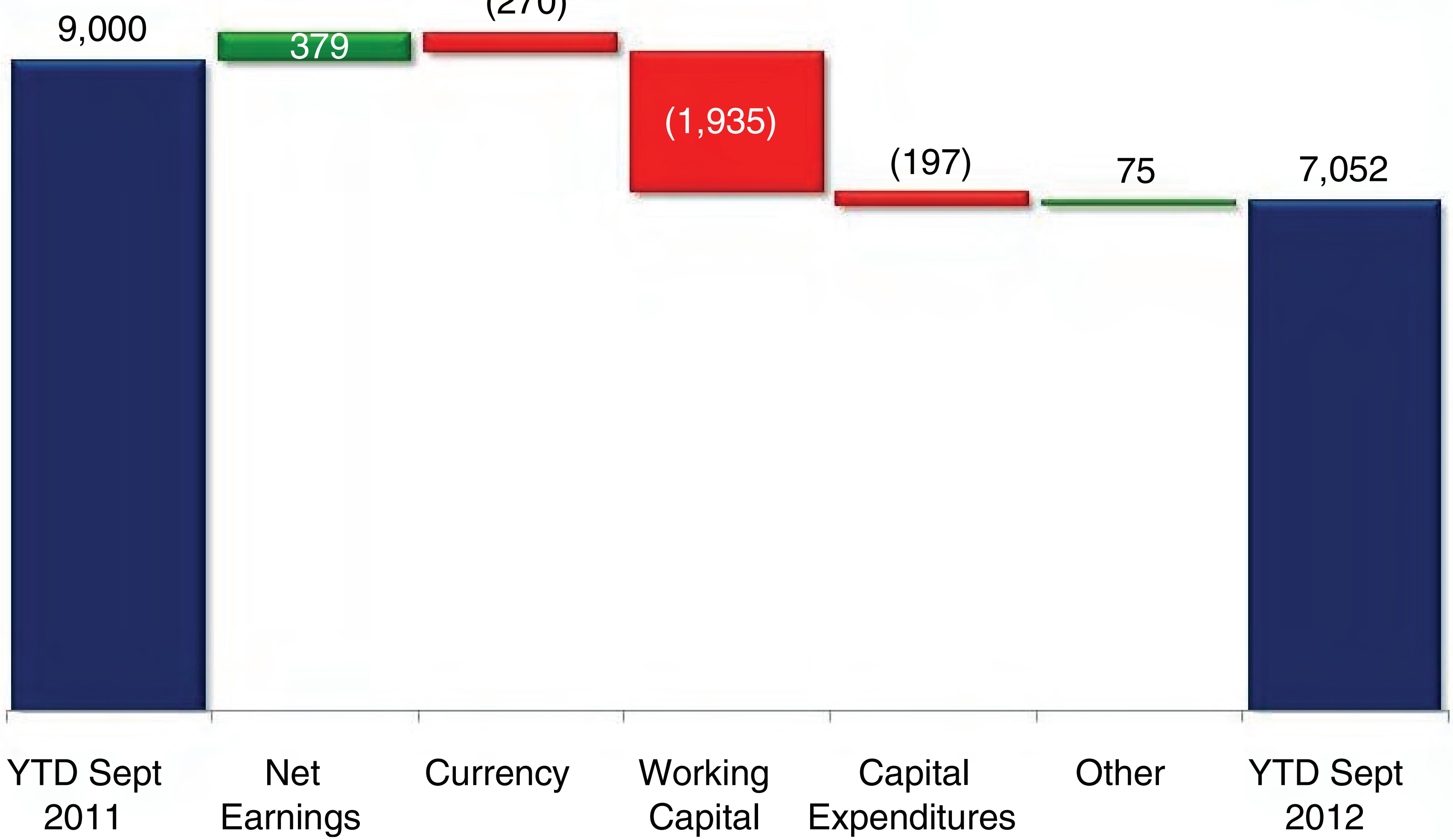
PHILIP MORRIS INTERNATIONAL

	Adjusted OCI Margins		
	YTD Sept 2011	YTD Sept 2012[a]	Variance[a]
Asia	47.2 %	47.9 %	0.7 pp
EEMA	42.3	45.4	3.1
EU	51.0	50.2	(0.8)
LA&C	32.0	32.1	0.1
Total	**45.5**	**46.2**	**0.7**

(a) Excluding currency and acquisitions
Source: PMI Financials

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

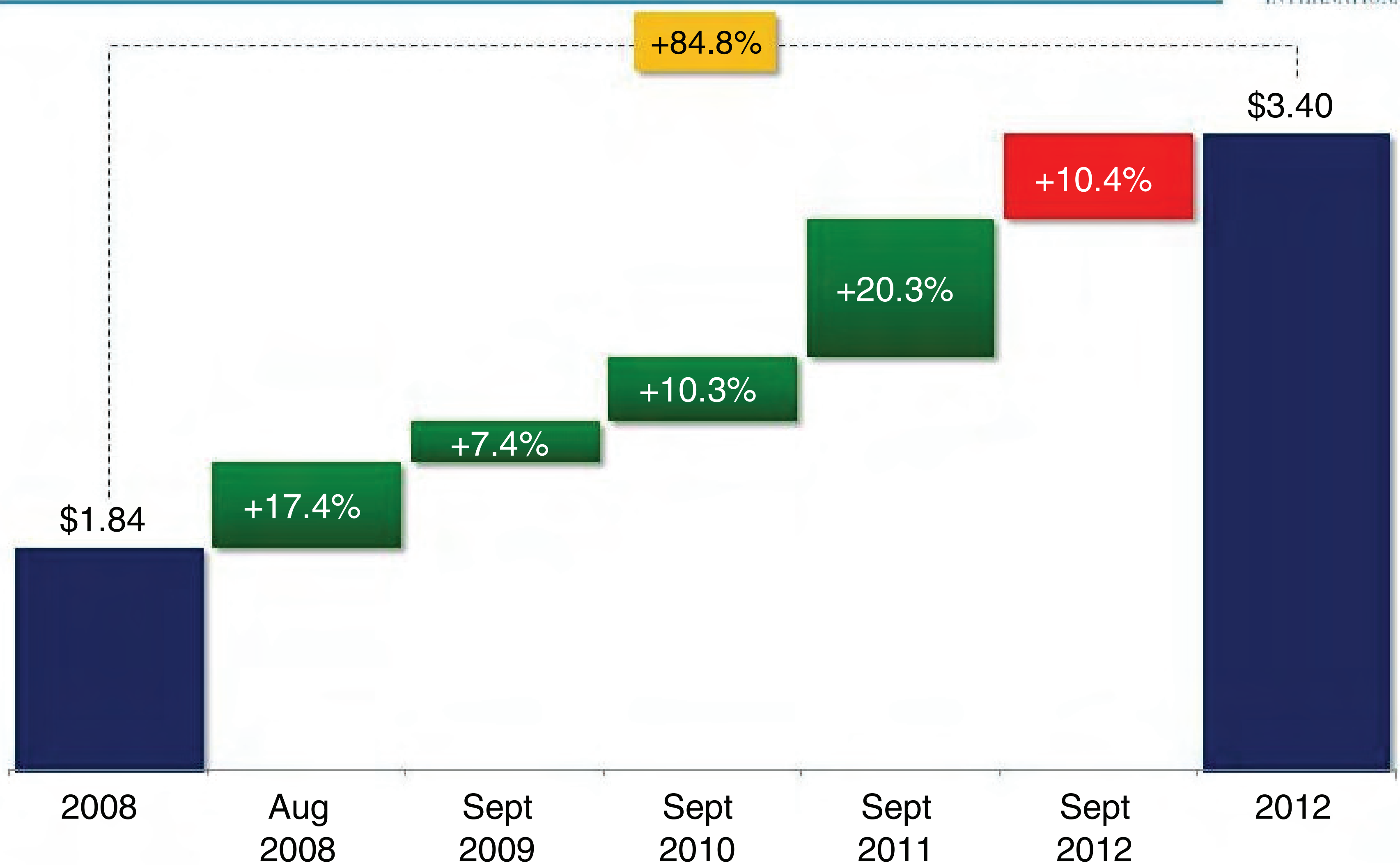
($ million)



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

Very Significant Dividend Increases

PHILIP MORRIS INTERNATIONAL



Note: Dividends for 2008 and 2012 are annualized rates. 2008 annualized rate is based on a quarterly dividend of $0.46 per common share, declared June 18, 2008. The annualized rate for 2012 is based on a quarterly dividend of $0.85 per common share, declared September 12, 2012
Source: PMI Financials

Share Repurchase Program

PHILIP MORRIS INTERNATIONAL

- In Q3, 2012, PMI spent $1.5 billion to repurchase 16.7 million shares
- Since March 2008 spin through end of September 2012, $25.9 billion spent to repurchase 466.6 million shares, representing 22.1% of shares outstanding at that time, at an average price of $55.49 per share
- Target for 2012 remains $6 billion

Source: PMI Financials

Conclusion

PHILIP MORRIS INTERNATIONAL

- Q3, 2012, as expected, a difficult quarter due to tough comparisons
- Confident to achieve 1% organic volume annual growth target for 2012 driven by strong performances in EEMA and Asia Regions
- Narrowed 2012 reported diluted EPS guidance range to \$5.12 to \$5.18, compared to \$4.85 in 2011
- Excluding the impact of currency, tax charge and asset impairment and exit costs, new guidance represents a growth rate of approximately 11% to 12% compared to adjusted diluted EPS of \$4.88 in 2011
- Remain steadfast in our commitment to deliver superior returns to our shareholders

Source: PMI Financials and PMI forecasts

PHILIP MORRIS INTERNATIONAL

2012 Third-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 September 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
$ 6,904	$ 4,779	$ 2,125	$ (334)	$ 2,459	$ -	$ 2,459	European Union	$ 8,155	$ 5,649	$ 2,506	(15.2)%	(1.9)%	(1.9)%
5,125	2,918	2,207	(211)	2,418	7	2,411	EEMA	4,921	2,711	2,210	(0.1)%	9.4%	9.1%
5,174	2,413	2,761	(104)	2,865	-	2,865	Asia	5,143	2,344	2,799	(1.4)%	2.4%	2.4%
2,389	1,562	827	(82)	909	-	909	Latin America & Canada	2,487	1,640	847	(2.4)%	7.3%	7.3%
$ 19,592	$ 11,672	$ 7,920	$ (731)	$ 8,651	$ 7	$ 8,644	PMI Total	$ 20,706	$ 12,344	$ 8,362	(5.3)%	3.5%	3.4%

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
$ 1,085	$ (151)	$ 1,236	$ -	$ 1,236	European Union	$ 1,262	(14.0)%	(2.1)%	(2.1)%
1,047	(59)	1,106	2	1,104	EEMA	925	13.2%	19.6%	19.4%
1,297	(9)	1,306	-	1,306	Asia	1,309	(0.9)%	(0.2)%	(0.2)%
267	(17)	284	-	284	Latin America & Canada	255	4.7%	11.4%	11.4%
$ 3,696	$ (236)	$ 3,932	$ 2	$ 3,930	PMI Total	$ 3,751	(1.5)%	4.8%	4.8%

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 September 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
$ 1,085	$ -	$ 1,085	$ (151)	$ 1,236	$ -	$ 1,236	European Union	$ 1,262	$ (11)	$ 1,273	(14.8)%	(2.9)%	(2.9)%
1,047	-	1,047	(59)	1,106	2	1,104	EEMA	925	(16)	941	11.3%	17.5%	17.3%
1,297	(24)	1,321	(9)	1,330	-	1,330	Asia	1,309	(5)	1,314	0.5%	1.2%	1.2%
267	(10)	277	(17)	294	-	294	Latin America & Canada	255	(11)	266	4.1%	10.5%	10.5%
$ 3,696	$ (34)	$ 3,730	$ (236)	$ 3,966	$ 2	$ 3,964	PMI Total	$ 3,751	$ (43)	$ 3,794	(1.7)%	4.5%	4.5%

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
$ 1,236	$ 2,459	50.3%	$ 1,236	$ 2,459	50.3%	European Union	$ 1,273	$ 2,506	50.8%	(0.5)	(0.5)
1,106	2,418	45.7%	1,104	2,411	45.8%	EEMA	941	2,210	42.6%	3.1	3.2
1,330	2,865	46.4%	1,330	2,865	46.4%	Asia	1,314	2,799	46.9%	(0.5)	(0.5)
294	909	32.3%	294	909	32.3%	Latin America & Canada	266	847	31.4%	0.9	0.9
$ 3,966	$ 8,651	45.8%	$ 3,964	$ 8,644	45.9%	PMI Total	$ 3,794	$ 8,362	45.4%	0.4	0.5

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

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

PHILIP MORRIS INTERNATIONAL

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

	2012	2011	% Change
Reported Diluted EPS	**$ 1.32**	**$ 1.35**	**(2.2)%**
Adjustments:			
Asset impairment and exit costs	0.01	0.02	
Tax items	0.05	-	
Adjusted Diluted EPS	**$ 1.38**	**$ 1.37**	**0.7%**
Less:			
Currency impact	(0.07)		
Adjusted Diluted EPS, excluding Currency	**$ 1.45**	**$ 1.37**	**5.8%**

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 Quarters Ended September 30,
(Unaudited)

	2012	2011	% Change
Reported Diluted EPS	$ 1.32	$ 1.35	(2.2)%
Less:			
Currency impact	(0.07)		
Reported Diluted EPS, excluding Currency	$ 1.39	$ 1.35	3.0%

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

PHILIP MORRIS INTERNATIONAL

Adjustments for the Impact of Currency and Acquisitions
For the Nine Months Ended September 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
$ 20,654	$ 14,191	$ 6,463	$ (583)	$ 7,046	$ -	$ 7,046	European Union	$ 22,650	$ 15,646	$ 7,004	(7.7)%	0.6%	0.6%
14,256	8,063	6,193	(411)	6,604	27	6,577	EEMA	13,195	7,286	5,909	4.8%	11.8%	11.3%
15,668	7,275	8,393	(59)	8,452	1	8,451	Asia	14,577	6,519	8,058	4.2%	4.9%	4.9%
7,073	4,634	2,439	(172)	2,611	-	2,611	Latin America & Canada	7,048	4,593	2,455	(0.7)%	6.4%	6.4%
$ 57,651	$ 34,163	$ 23,488	$ (1,225)	$ 24,713	$ 28	$ 24,685	PMI Total	$ 57,470	$ 34,044	$ 23,426	0.3%	5.5%	5.4%

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
$ 3,232	$ (306)	$ 3,538	$ -	$ 3,538	European Union	$ 3,548	(8.9)%	(0.3)%	(0.3)%
2,805	(183)	2,988	4	2,984	EEMA	2,482	13.0%	20.4%	20.2%
4,068	47	4,021	-	4,021	Asia	3,800	7.1%	5.8%	5.8%
753	(59)	812	-	812	Latin America & Canada	774	(2.7)%	4.9%	4.9%
$ 10,858	$ (501)	$ 11,359	$ 4	$ 11,355	PMI Total	$ 10,604	2.4%	7.1%	7.1%

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 Nine Months Ended September 30,
($ in millions)
(Unaudited)

2012 Reported Operating Companies Income	2012 Less Asset Impairment & Exit Costs	2012 Adjusted Operating Companies Income	2012 Less Currency	2012 Adjusted Operating Companies Income excluding Currency	2012 Less Acquisitions	2012 Adjusted Operating Companies Income excluding Currency & Acquisitions		2011 Reported Operating Companies Income	2011 Less Asset Impairment & Exit Costs	2011 Adjusted Operating Companies Income	% Change in Adjusted Operating Companies Income: Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions
$ 3,232	$ -	$ 3,232	$ (306)	$ 3,538	$ -	$ 3,538	European Union	$ 3,548	$ (23)	$ 3,571	(9.5)%	(0.9)%	(0.9)%
2,805	-	2,805	(183)	2,988	4	2,984	EEMA	2,482	(18)	2,500	12.2%	19.5%	19.4%
4,068	(24)	4,092	47	4,045	-	4,045	Asia	3,800	(7)	3,807	7.5%	6.3%	6.3%
753	(26)	779	(59)	838	-	838	Latin America & Canada	774	(12)	786	(0.9)%	6.6%	6.6%
$ 10,858	$ (50)	$ 10,908	$ (501)	$ 11,409	$ 4	$ 11,405	PMI Total	$ 10,604	$ (60)	$ 10,664	2.3%	7.0%	6.9%

2012 Adjusted Operating Companies Income excluding Currency	2012 Net Revenues excluding Excise Taxes & Currency[a]	2012 Adjusted Operating Companies Income Margin excluding Currency	2012 Adjusted Operating Companies Income excluding Currency & Acquisitions	2012 Net Revenues excluding Excise Taxes, Currency & Acquisitions[a]	2012 Adjusted Operating Companies Income Margin excluding Currency & Acquisitions		2011 Adjusted Operating Companies Income	2011 Net Revenues excluding Excise Taxes[a]	2011 Adjusted Operating Companies Income Margin	% Points Change: Adjusted Operating Companies Income Margin excluding Currency	Adjusted Operating Companies Income Margin excluding Currency & Acquisitions
$ 3,538	$ 7,046	50.2%	$ 3,538	$ 7,046	50.2%	European Union	$ 3,571	$ 7,004	51.0%	(0.8)	(0.8)
2,988	6,604	45.2%	2,984	6,577	45.4%	EEMA	2,500	5,909	42.3%	2.9	3.1
4,045	8,452	47.9%	4,045	8,451	47.9%	Asia	3,807	8,058	47.2%	0.7	0.7
838	2,611	32.1%	838	2,611	32.1%	Latin America & Canada	786	2,455	32.0%	0.1	0.1
$ 11,409	$ 24,713	46.2%	$ 11,405	$ 24,685	46.2%	PMI Total	$ 10,664	$ 23,426	45.5%	0.7	0.7

(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 Nine Months Ended September 30,
(Unaudited)

	2012	2011	% Change
Reported Diluted EPS	**$ 3.92**	**$ 3.76**	**4.3%**
Adjustments:			
Asset impairment and exit costs	0.02	0.03	
Tax items	0.05	(0.02)	
Adjusted Diluted EPS	**$ 3.99**	**$ 3.77**	**5.8%**
Less:			
Currency impact	(0.19)		
Adjusted Diluted EPS, excluding Currency	**$ 4.18**	**$ 3.77**	**10.9%**

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 Nine Months Ended September 30,
(Unaudited)

	2012	2011	% Change
Reported Diluted EPS	$ 3.92	$ 3.76	4.3%
Less:			
Currency impact	(0.19)		
Reported Diluted EPS, excluding Currency	$ 4.11	$ 3.76	9.3%

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 Nine Months Ended September 30,
($ in millions)
(Unaudited)

	For the Quarters Ended September 30,			For the Nine Months Ended September 30,		
	2012	2011	% Change	2012	2011	% Change
Net cash provided by operating activities[(a)]	$ 2,393	$ 3,053	(21.6)%	$ 7,771	$ 9,568	(18.8)%
Less:						
Capital expenditures	243	223		719	568	
Free cash flow	$ 2,150	$ 2,830	(24.0)%	$ 7,052	$ 9,000	(21.6)%
Less:						
Currency impact	169			(270)		
Free cash flow, excluding currency	$ 1,981	$ 2,830	(30.0)%	$ 7,322	$ 9,000	(18.6)%

(a) Operating Cash Flow

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 September 30,
($ in millions)
(Unaudited)

2011								2010			% Change in Reported Net Revenues excluding Excise Taxes		
Reported Net Revenues	Less Excise Taxes	Reported Net Revenues excluding Excise Taxes	Less Currency	Reported Net Revenues excluding Excise Taxes & Currency	Less Acquisitions	Reported Net Revenues excluding Excise Taxes, Currency & Acquisitions		Reported Net Revenues	Less Excise Taxes	Reported Net Revenues excluding Excise Taxes	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions
$ 8,155	$ 5,649	$ 2,506	$ 321	$ 2,185	$ -	$ 2,185	European Union	$ 7,045	$ 4,906	$ 2,139	17.2%	2.2%	2.2%
4,921	2,711	2,210	89	2,121	13	2,108	EEMA	4,184	2,288	1,896	16.6%	11.9%	11.2%
5,143	2,344	2,799	248	2,551	2	2,549	Asia	3,629	1,796	1,833	52.7%	39.2%	39.1%
2,487	1,640	847	39	808	-	808	Latin America & Canada	2,078	1,332	746	13.5%	8.3%	8.3%
$ 20,706	$ 12,344	$ 8,362	$ 697	$ 7,665	$ 15	$ 7,650	PMI Total	$ 16,936	$ 10,322	$ 6,614	26.4%	15.9%	15.7%

2011						2010	% Change in Reported Operating Companies Income		
Reported Operating Companies Income	Less Currency	Reported Operating Companies Income excluding Currency	Less Acquisitions	Reported Operating Companies Income excluding Currency & Acquisitions		Reported Operating Companies Income	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions
$ 1,262	$ 105	$ 1,157	$ -	$ 1,157	European Union	$ 1,113	13.4%	4.0%	4.0%
925	(32)	957	(13)	970	EEMA	856	8.1%	11.8%	13.3%
1,309	104	1,205	2	1,203	Asia	690	89.7%	74.6%	74.3%
255	-	255	-	255	Latin America & Canada	244	4.5%	4.5%	4.5%
$ 3,751	$ 177	$ 3,574	$ (11)	$ 3,585	PMI Total	$ 2,903	29.2%	23.1%	23.5%

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

PHILIP MORRIS INTERNATIONAL

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

2011								2010			% Change in Adjusted Operating Companies Income		
Reported Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less 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
$ 1,262	$ (11)	$ 1,273	$ 105	$ 1,168	$ -	$ 1,168	European Union	$ 1,113	$ (20)	$ 1,133	12.4%	3.1%	3.1%
925	(16)	941	(32)	973	(1)	974	EEMA	856	-	856	9.9%	13.7%	13.8%
1,309	(5)	1,314	104	1,210	2	1,208	Asia	690	-	690	90.4%	75.4%	75.1%
255	(11)	266	-	266	-	266	Latin America & Canada	244	-	244	9.0%	9.0%	9.0%
$ 3,751	$ (43)	$ 3,794	$ 177	$ 3,617	$ 1	$ 3,616	PMI Total	$ 2,903	$ (20)	$ 2,923	29.8%	23.7%	23.7%

2011							2010			% Points Change	
Adjusted Operating Companies Income excluding Currency	Net Revenues excluding Excise Taxes & Currency[a]	Adjusted Operating Companies Income Margin excluding Currency	Adjusted Operating Companies Income excluding Currency & Acquisitions	Net Revenues excluding Excise Taxes, Currency & Acquisitions[a]	Adjusted Operating Companies Income Margin excluding Currency & Acquisitions		Adjusted Operating Companies Income	Net Revenues excluding Excise Taxes[a]	Adjusted Operating Companies Income Margin	Adjusted Operating Companies Income Margin excluding Currency	Adjusted Operating Companies Income Margin excluding Currency & Acquisitions
$ 1,168	$ 2,185	53.5%	$ 1,168	$ 2,185	53.5%	European Union	$ 1,133	$ 2,139	53.0%	0.5	0.5
973	2,121	45.9%	974	2,108	46.2%	EEMA	856	1,896	45.1%	0.8	1.1
1,210	2,551	47.4%	1,208	2,549	47.4%	Asia	690	1,833	37.6%	9.8	9.8
266	808	32.9%	266	808	32.9%	Latin America & Canada	244	746	32.7%	0.2	0.2
$ 3,617	$ 7,665	47.2%	$ 3,616	$ 7,650	47.3%	PMI Total	$ 2,923	$ 6,614	44.2%	3.0	3.1

(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 September 30,
(Unaudited)

	2011	2010	% Change
Reported Diluted EPS	**$ 1.35**	**$ 0.99**	**36.4%**
Adjustments:			
Asset impairment and exit costs	0.02	0.01	
Tax items	-	-	
Adjusted Diluted EPS	**$ 1.37**	**$ 1.00**	**37.0%**
Less:			
Currency impact	0.04		
Adjusted Diluted EPS, excluding Currency	**$ 1.33**	**$ 1.00**	**33.0%**

PHILIP MORRIS INTERNATIONAL

2012 Third-Quarter Results

October 18, 2012