

# Philip Morris International

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## Philip Morris Q3 profit falls on lower volumes, currency exchange rates

Philip Morris International (NYSE:PM) said Thursday currency exchange rates crimped third-quarter earnings, as the company also sold fewer cigarettes.

Earnings fell 6.3 per cent to \$2.22 billion or \$1.32 a share, when compared to a profit of \$2.37 billion or \$1.35 a share.

On an adjusted basis, the company actually earned \$1.38 per share.

Revenue, excluding excise taxes, was \$7.9 billion. That is down 5.3 per cent from a year-earlier figure of \$8.3 billion.

Bloomberg analysts, on average, expected a per-share profit of \$1.39, on \$8.2 billion in revenue for the quarter ended September 30.

Shares lost 1.86 per cent of their value falling to \$90.14 each on the New York Stock Exchange Thursday morning.

On a geographic basis, sales in the European Union posted the biggest decline of 15.2 per cent. Revenue in Eastern Europe, Middle East and Africa fell 0.1 per cent.

In Asia, sales slipped 1.4 per cent. Revenue in Latin America and Canada slid 2.4 per cent in the third quarter.

Philip Morris' total cigarette shipment volume was down by 1.3 per cent to 236 billion. Volume in the EU declined 8.1 per cent due to economic volatility, particularly in southern Europe.

Volume in Eastern Europe, the Middle East and Africa grew three per cent driven by improved market conditions in Egypt and higher market share in Russia. In Asia, the company's volume rose 0.6 per cent thanks to growth in Indonesia, Thailand as well as Vietnam.

Shipment volume in Latin America and Canada dropped 4.9 per cent in the quarter, mainly due to lower a lower total market in Argentina, Brazil, Colombia and Mexico.

Total shipment volume for its Marlboro brand fell 2.3 per cent to 77.1 billion. L&M volume rose 3.4 per cent to 24.6 billion thanks to growth in Egypt and Russia.

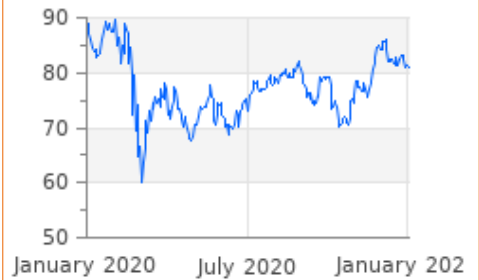
Volume for its namesake brand decreased four per cent to 9.4 billion, mainly reflecting a drop in Japan and the Philippines.

Philip Morris, in the quarter, raised its quarterly dividend by 10.4 per cent to 85 cents a share from 77 cents a share.

**Price:** 81.42

**Market Cap:** \$126.72 billion

### 1 Year Share Price Graph



### Share Information

**Code:** PM

**Listing:** NYSE

**52 week High Low**  
**90.15 56.03**

**Sector:** Manufacturing & engineering

**Website:** www.pmi.com

### Company Synopsis:

*Philip Morris International Inc. (PMI) is a holding company. PMI, through its subsidiaries and affiliates and their licensees, is engaged in the manufacture and sale of cigarettes and other tobacco products in markets outside of the United States of America.*

[action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

Since its spin-off in March 2008, Philip Morris has boosted its dividend by 84.8 per cent – the company said.

The cigarette maker spent \$1.5 billion to repurchase 16.7 million of stock under a new three year \$18 billion stock repurchase plan.

For fiscal 2012, the company narrowed its per-share guidance to \$5.12 to \$5.18, down from a prior view of \$5.10 to \$5.20 per share.

Analysts expect \$5.20 per share, on revenue of \$31.7 billion.

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Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

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