

Philip Morris International

11:24 18 Oct 2012

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.

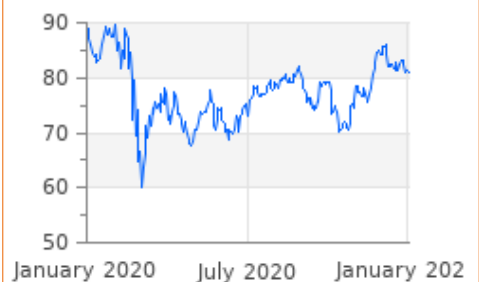
Volume for its namesake brand decreased four per cent to 9.4 billion, mainly reflecting a drop in Japan and the Philippines.

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

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.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.