

Philip Morris International Inc.
Form 424B2
November 07, 2011
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Registration No. 333-172490

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933, as amended. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities nor do they seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated November 7, 2011

Prospectus Supplement to Prospectus dated February 28, 2011

Philip Morris International Inc.

\$ % Notes due 20

\$ % Notes due 20

Interest on the notes due 20 is payable semiannually on and of each year, beginning , 2012. Interest on the notes due 20 is payable semiannually on and of each year, beginning , 2012. We may not redeem the notes prior to maturity unless specified events occur involving United States taxation. The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our other senior unsecured indebtedness from time to time outstanding. The notes will be issued only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Application will be made to have the notes listed on the New York Stock Exchange.

See Risk Factors on page S-5 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement or the attached prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Public
Offering Price

Underwriting
Discount

Proceeds to Us
(before expenses)

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	Per Note	Total	Per Note	Total	Per Note	Total
% Notes due 20	%	\$	%	\$	%	\$
% Notes due 20	%	\$	%	\$	%	\$

The public offering prices set forth above do not include accrued interest. Interest on the notes of each series will accrue from November , 2011.

The underwriters expect to deliver the notes of each series to purchasers in book-entry form only through The Depository Trust Company, or DTC, Clearstream Banking, *société anonyme*, or Clearstream, or Euroclear Bank S.A./N.V., or Euroclear, on or about November , 2011.

Joint Book-Running Managers

Barclays Capital

Citigroup

Goldman, Sachs & Co.

HSBC

J.P. Morgan

Prospectus Supplement dated November , 2011

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We have not, and the underwriters have not, authorized anyone to provide you with any information other than that contained or incorporated by reference in this prospectus supplement, any related free writing prospectus and the attached prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. If the information varies between this prospectus supplement and the attached prospectus, the information in this prospectus supplement supersedes the information in the attached prospectus. We are not making an offer of these securities in any jurisdiction where the offer or sale is not permitted. Neither the delivery of this prospectus supplement, any related free writing prospectus or the attached prospectus, nor any sale made hereunder and thereunder, shall under any circumstances create any implication that there has been no change in our affairs since the date of this prospectus supplement, any related free writing prospectus or the attached prospectus, regardless of the time of delivery of such document or any sale of securities offered hereby or thereby, or that the information contained or incorporated by reference herein or therein is correct as of any time subsequent to the date of such information.

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In connection with the issuance of the notes, Citigroup Global Markets Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC, Barclays Capital Inc. and HSBC Securities (USA) Inc., or their respective affiliates, may over-allot or effect transactions that stabilize or maintain the market price of the notes at levels higher than that which might otherwise prevail. In any jurisdiction where there can only be one stabilizing agent, Goldman, Sachs & Co. or its affiliates shall effect such transactions. This stabilizing, if commenced, may be discontinued at any time and will be carried out in compliance with applicable laws, regulations and rules.

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The distribution of this prospectus supplement and the attached prospectus and the offering or sale of the notes in some jurisdictions may be restricted by law. The notes are offered globally for sale in those jurisdictions in the United States, Europe, Asia and elsewhere where it is lawful to make such offers. Persons into whose possession this prospectus supplement and the attached prospectus come are required by us and the underwriters to inform themselves about, and to observe, any applicable restrictions. This prospectus supplement and the attached prospectus may not be used for or in connection with an offer or solicitation by any person in any jurisdiction in which that offer or solicitation is not authorized or to any person to whom it is unlawful to make that offer or solicitation. See *Offering Restrictions* in this prospectus supplement.

Notice to Prospective Investors in the European Economic Area

This prospectus supplement and the attached prospectus have been prepared on the basis that any offer of notes in any Member State of the European Economic Area (the "EEA") that has implemented the Prospectus Directive (2003/71/EC) (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to produce a prospectus for offers of notes. Accordingly, any person making or intending to make any offer in that Relevant Member State of notes which are the subject of the offering contemplated by this prospectus supplement and the attached prospectus may only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized, nor do we or they authorize, the making of any offer of notes in circumstances in which an obligation arises for us or the underwriters to publish a prospectus for such offer.

Notice to Prospective Investors in the United Kingdom

This prospectus supplement and attached prospectus are only being distributed to, and are only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive and that are also (1) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (2) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a "Relevant Person"). This prospectus supplement and attached prospectus and their contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this prospectus supplement and/or attached prospectus or any of their contents.

This prospectus supplement and attached prospectus have not been approved for the purposes of section 21 of the UK Financial Services and Markets Act 2000 ("FSMA") by a person authorized under FSMA. This prospectus supplement and the attached prospectus are being distributed and communicated to persons in the United Kingdom only in circumstances in which section 21(1) of FSMA does not apply.

The notes are not being offered or sold to any person in the United Kingdom except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of FSMA.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement contains the terms of this offering of notes. This prospectus supplement, or the information incorporated by reference in this prospectus supplement, may add, update or change information in the attached prospectus. If information in this prospectus supplement or the information that is incorporated by reference in this prospectus supplement is inconsistent with the attached prospectus, this prospectus supplement, or the information incorporated by reference in this prospectus supplement, will apply and will supersede that information in the attached prospectus.

It is important for you to read and consider all information contained in this prospectus supplement, the attached prospectus and any related free writing prospectus in making your investment decision. You should also read and consider the information in the documents we have referred you to in **Documents Incorporated by Reference** in this prospectus supplement and **Where You Can Find More Information** in the attached prospectus, including our Annual Report on Form 10-K for the year ended December 31, 2010 (including the portions of our Definitive Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission, or the SEC, on April 1, 2011, incorporated by reference therein), our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011, June 30, 2011 and September 30, 2011 and our Current Reports on Form 8-K filed with the SEC on January 6, 2011, February 10, 2011 (the Item 8.01 Form 8-K only), February 11, 2011, May 12, 2011, May 17, 2011, August 18, 2011, September 13, 2011 and October 26, 2011, respectively.

Application will be made to have the notes listed on the New York Stock Exchange. We cannot guarantee that listing will be obtained.

Trademarks and servicemarks in this prospectus supplement and the attached prospectus appear in bold italic type and are the property of or licensed by our subsidiaries.

Philip Morris International Inc. is a Virginia holding company incorporated in 1987. Unless otherwise indicated, all references in this prospectus supplement to **PMI**, **us**, **our**, or **we** refer to Philip Morris International Inc. and its subsidiaries.

References herein to **\$**, **dollars** and **U.S. dollars** are to United States dollars, and all financial data included or incorporated by reference herein have been presented in accordance with accounting principles generally accepted in the United States of America.

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FORWARD-LOOKING AND CAUTIONARY STATEMENTS

We may from time to time make forward-looking statements, including in information included or incorporated by reference in this prospectus supplement and the attached prospectus. You can identify these forward-looking statements by use of words such as strategy, expects, continues, plans, anticipates, believes, will, estimates, intends, projects, goals, targets and other words of similar meaning. You can also identify the fact that they do not relate strictly to historical or current facts.

We cannot guarantee that any forward-looking statement will be realized, although we believe we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. You should bear this in mind as you consider forward-looking statements and whether to invest in or remain invested in our securities. In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, we have identified important factors in the documents incorporated by reference 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 us; any such statement is qualified by reference to these cautionary statements. We elaborate on these and other risks we face in the documents incorporated by reference. You should understand that it is not possible to predict or identify all risk factors. Consequently, you should not consider risks discussed in the documents incorporated by reference to be a complete discussion of all potential risks or uncertainties. We do not undertake to update any forward-looking statement that we may make from time to time except in the normal course of our public disclosure obligations.

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SUMMARY OF THE OFFERING

The following summary contains basic information about the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more detailed description of the notes, please refer to the section entitled "Description of Notes" in this prospectus supplement and the section entitled "Description of Debt Securities" in the attached prospectus.

Issuer	Philip Morris International Inc.
Securities Offered	<p>\$ total principal amount of % notes due 20 , maturing , 20 .</p> <p>\$ total principal amount of % notes due 20 , maturing , 20 .</p>
Interest Rates	<p>The notes due 20 will bear interest from November , 2011 at the rate of % per annum.</p> <p>The notes due 20 will bear interest from November , 2011 at the rate of % per annum.</p>
Interest Payment Dates	<p>For the notes due 20 , and of each year, beginning on , 2012.</p> <p>For the notes due 20 , and of each year, beginning on , 2012.</p>
Ranking	The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our existing and future senior unsecured indebtedness. Because we are a holding company, the notes will effectively rank junior to any indebtedness or other liabilities of our subsidiaries. The indenture does not limit the amount of debt or other liabilities we or our subsidiaries may issue.
Optional Tax Redemption	We may redeem all, but not part, of the notes of each series upon the occurrence of specified tax events described under the heading "Description of Notes Redemption for Tax Reasons" in this prospectus supplement.
Covenants	<p>We will issue the notes under an indenture containing covenants that restrict our ability, with significant exceptions, to:</p> <p style="padding-left: 40px;">incur debt secured by liens; and</p> <p style="padding-left: 40px;">engage in sale and leaseback transactions.</p>

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Use of Proceeds

We will receive net proceeds (before expenses) from this offering of approximately \$. We intend to add the net proceeds to our general funds, which may be used:

to meet our working capital requirements;

to repurchase our common stock;

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to refinance debt; or

for general corporate purposes.

If we do not use the net proceeds immediately, we will temporarily invest them in short-term, interest-bearing obligations.

Listing Application will be made to list the notes on the New York Stock Exchange.

Clearance and Settlement The notes will be cleared through DTC, Clearstream and Euroclear.

Governing Law The notes will be governed by the laws of the State of New York.

Risk Factors Investing in the notes involves risks. See **Risk Factors** and the documents incorporated or deemed to be incorporated by reference herein for a discussion of the factors you should consider carefully before deciding to invest in the notes.

Trustee HSBC Bank USA, National Association.

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RISK FACTORS

You should carefully consider all the information included and incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding to invest in the notes. In particular, we urge you to consider carefully the factors set forth under "Forward-Looking and Cautionary Statements" in this prospectus supplement and "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011, June 30, 2011 and September 30, 2011, which we have incorporated by reference in this prospectus supplement.

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THE COMPANY

We are a Virginia holding company incorporated in 1987. Our subsidiaries and affiliates and their licensees are engaged in the manufacture and sale of cigarettes and other tobacco products in markets outside of the United States of America. Our products are sold in approximately 180 countries and, in many of these countries, they hold the number one or number two market share position. We have a wide range of premium, mid-price and low-price brands. Our portfolio comprises both international and local brands.

Our portfolio of international and local brands is led by *Marlboro*, the world's best selling international cigarette, which accounted for approximately 33% of our total 2010 shipment volume. *Marlboro* is complemented in the premium-price category by *Merit*, *Parliament* and *Virginia Slims*. Our leading mid-price brands are *Chesterfield* and *L&M*. Other leading international brands include *Bond Street*, *Lark*, *Muratti*, *Next*, *Philip Morris* and *Red & White*.

We also own a number of important local brands, such as *Sampoerna A*, *Dji Sam Soe* and *Sampoerna Hijau* in Indonesia, *Fortune*, *Champion* and *Hope* in the Philippines, *Diana* in Italy, *Optima* and *Apollo-Soyuz* in Russia, *Morven Gold* in Pakistan, *Boston* in Colombia, *Belmont*, *Canadian Classics* and *Number 7* in Canada, *Best* and *Classic* in Serbia, *f6* in Germany, *Delicados* in Mexico, *Assos* in Greece and *Petra* in the Czech Republic and Slovakia. While there are a number of markets where local brands remain important, international brands are expanding their share in numerous markets. With international brands contributing approximately 70% of our shipment volume in 2010, we are well positioned to continue to benefit from this trend.

Our principal executive offices are located at 120 Park Avenue, New York, New York 10017-5579, our telephone number is +1 (917) 663-2000 and our web site is www.pmi.com. The information contained in, or that can be accessed through, our web site is not a part of this prospectus or any prospectus supplement.

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USE OF PROCEEDS

We will receive net proceeds (before expenses) from this offering of approximately \$. We intend to add the net proceeds to our general funds, which may be used:

to meet our working capital requirements;

to repurchase our common stock;

to refinance debt; or

for general corporate purposes.

If we do not use the net proceeds immediately, we will temporarily invest them in short-term, interest-bearing obligations.

RATIOS OF EARNINGS TO FIXED CHARGES

The following table sets forth our historical ratios of earnings available for fixed charges to fixed charges for the periods indicated. This information should be read in conjunction with the consolidated financial statements and the accompanying notes incorporated by reference in this prospectus supplement.

	Nine Months Ended September 30,	Years Ended December 31,				
	2011	2010	2009	2008	2007	2006
Ratios of earnings to fixed charges	13.6	10.7	10.2	17.2	25.7	19.4

Earnings available for fixed charges represent earnings before income taxes and fixed charges excluding capitalized interest, net of amortization. This amount is also adjusted by the undistributed earnings/(losses) of our less than 50% owned affiliates. Fixed charges represent interest expense, amortization of debt discount and expenses and capitalized interest, plus that portion of rental expense estimated to be the equivalent of interest.

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The following table presents our summary of selected historical financial data which have been derived from and should be read along with, and are qualified in their entirety by reference to, our financial statements and the accompanying notes to those statements and the section

Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2010, and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011, June 30, 2011 and September 30, 2011, which we have incorporated by reference in this prospectus supplement. The selected historical financial data for the nine months ended September 30, 2011 include all adjustments, consisting of normal recurring adjustments, which we consider necessary for a fair presentation of our results of operations for this period.

The summary of selected historical financial data is not necessarily indicative of our future performance.

	Year Ended December 31,		Nine Months Ended September 30,	
	2009	2010	2010	2011
(in millions, except per share dollar amounts)				
Consolidated Statement of Earnings Data:				
Net revenues	\$ 62,080	\$ 67,713	\$ 49,906	\$ 57,470
Cost of sales	9,022	9,713	7,212	7,986
Excise taxes on products	37,045	40,505	29,735	34,044
Gross profit	16,013	17,495	12,959	15,440
Marketing, administration and research costs	5,870	6,160	4,417	4,911
Asset impairment and exit costs	29	47	20	60
Amortization of intangibles	74	88	65	73
Operating income	10,040	11,200	8,457	10,396
Interest expense, net	797	876	660	613
Earnings before income taxes	9,243	10,324	7,797	9,783
Provision for income taxes	2,691	2,826	2,109	2,850
Net earnings	6,552	7,498	5,688	6,933
Net earnings attributable to noncontrolling interest	210	239	181	228
Net earnings attributable to PMI	\$ 6,342	\$ 7,259	\$ 5,507	\$ 6,705
Earnings Per Share Data:				
Basic earnings per share	\$ 3.25	\$ 3.93	\$ 2.96	\$ 3.76
Diluted earnings per share	\$ 3.24	\$ 3.92	\$ 2.96	\$ 3.76
(in millions)				
Balance Sheet Data:				
Cash and cash equivalents	\$ 1,540	\$ 1,703		\$ 3,391
Receivables	3,098	3,009		3,242
Inventories	9,207	8,317		7,453
Deferred income taxes	305	371		373
Other current assets	532	356		631
Total current assets	14,682	13,756		15,090
Property, plant and equipment, at cost	12,258	12,759		13,213