European Union

In 2012, our EU Region accounted for 21.4% of our total cigarette shipments, 27.2% of our reported net revenues, excluding excise taxes, and 29.6% of our reported operating companies income. Our market share in the Region in 2012 was essentially flat at 38.1%. The top three markets in the Region by total industry size were Germany, Italy and Spain.

Denny Witt, Manager Sales Austria, Germany

Eastern Europe, Middle East & Africa

In 2012, our EEMA Region accounted for 32.8% of our total cigarette shipments, 26.5% of our reported net revenues, excluding excise taxes, and 26.3% of our reported operating companies income. Our market share in the Region in 2012 was up by 0.9 points to 24.6%. The top three markets in the Region by total industry size were Russia, Turkey and Ukraine.

Tatyana Shanchenko, Manager Human Resources, United Arab Emirates

Asia

In 2012, our Asia Region accounted for 35.2% of our total cigarette shipments, 35.7% of our reported net revenues, excluding excise taxes, and 36.7% of our reported operating companies income. Our market share in the Region in 2012 was up by 0.8 points to 27.3%, excluding the People's Republic of China. The top three markets in the Region by total industry size were Indonesia, Japan and the Philippines.

Rama Ishwara, Marketing Manager *U Mild*, Indonesia

Latin America & Canada

In 2012, our Latin America & Canada Region accounted for 10.6% of our total cigarette shipments, 10.6% of our reported net revenues, excluding excise taxes, and 7.4% of our reported operating companies income. Our market share in the Region in 2012 was up by 0.8 points to 36.5%. The top three markets in the Region by total industry size were Brazil, Argentina and Mexico.

Mónica María Palacio, Manager Sales Planning, Colombia

Cigarette Shipment Volume (Billion Units)	
2011	211.5
2012	198.0

Reported Net Revenues* ($ Millions)	
2011	9,212
2012	8,526

Reported Operating Companies Income ($ Millions)	
2011	4,560
2012	4,187

*Excluding excise taxes

- PMI's cigarette shipment volume in the EU declined by 6.4%, due principally to a lower total market across the Region.
- Reported net revenues decreased by 7.4% to $8.5 billion, due primarily to unfavorable currency of $716 million.
- Excluding currency, net revenues increased by 0.3%, mainly reflecting favorable pricing of $475 million, partly offset by unfavorable volume/mix of $445 million.
- Reported OCI decreased by 8.2% to $4.2 billion, due primarily to unfavorable currency of $384 million.
- Excluding the impact of currency, OCI increased by 0.2%, reflecting higher pricing and favorable asset impairment and exit costs compared to 2011, offset by an unfavorable volume/mix of $380 million, higher manufacturing costs, and higher marketing costs, principally reflecting marketing investment behind new brand launches and the roll-out of the "Be *Marlboro*" marketing campaign.
- Excluding the impact of currency, adjusted OCI margin declined by 0.5 percentage points to 49.5%.

Cigarette Shipment Volume (Billion Units)	
2011	290.3
2012	303.8

Reported Net Revenues* ($ Millions)	
2011	7,881
2012	8,332

Reported Operating Companies Income ($ Millions)	
2011	3,229
2012	3,726

*Excluding excise taxes

- PMI's cigarette shipment volume in EEMA increased by 4.7%, mainly reflecting improved market conditions and higher share in Egypt, a higher market share in Russia, and a higher total market and share in Turkey.
- Reported net revenues increased by 5.7% to $8.3 billion, including unfavorable currency of $467 million.
- Excluding currency and acquisitions, net revenues increased by 11.3%, primarily due to both favorable pricing and volume/mix of $466 million and $425 million, respectively.
- Reported OCI increased by 15.4% to $3.7 billion, despite unfavorable currency of $199 million.
- Excluding the impact of currency and acquisitions, OCI increased by a strong 21.4%, due primarily to higher pricing, and favorable volume/mix of $317 million, partly offset by higher costs, principally related to investments in marketing and business infrastructure mainly in Russia.
- Excluding the impact of currency and acquisitions, adjusted OCI margin was up by 3.5 percentage points to 44.8%.

Cigarette Shipment Volume (Billion Units)	
2011	313.3
2012	326.6

Reported Net Revenues* ($ Millions)	
2011	10,705
2012	11,198

Reported Operating Companies Income ($ Millions)	
2011	4,836
2012	5,197

*Excluding excise taxes

- PMI's cigarette shipment volume in Asia increased by 4.2%, driven by growth in Indonesia, the Philippines, Thailand and Vietnam, partly offset by a decline in Japan and Korea.
- Reported net revenues increased by 4.6% to $11.2 billion, including unfavorable currency of $116 million.
- Excluding the impact of currency, net revenues increased by 5.7%, reflecting the favorable impact of pricing of $551 million and favorable volume/mix of $57 million.
- Reported OCI increased by 7.5% to $5.2 billion, including favorable currency of $39 million.
- Excluding the impact of currency, OCI increased by 6.7%, primarily reflecting higher pricing, and favorable shipping costs related to the Japan hurdle, partly offset by unfavorable volume/mix of $99 million, mainly in Japan. Excluding Japan, volume/mix was favorable, primarily driven by Indonesia.
- Excluding the impact of currency, adjusted OCI margin was up by 0.6 percentage points to 45.9%.

Cigarette Shipment Volume (Billion Units)	
2011	100.2
2012	98.6

Reported Net Revenues* ($ Millions)	
2011	3,299
2012	3,321

Reported Operating Companies Income ($ Millions)	
2011	988
2012	1,043

*Excluding excise taxes

- PMI's cigarette shipment volume in Latin America & Canada decreased by 1.6%, mainly due to a lower total market in Argentina, Colombia and Mexico and lower share in Canada.
- Reported net revenues increased by 0.7% to $3.3 billion, including unfavorable currency of $196 million.
- Excluding the impact of currency, net revenues increased by 6.6%, reflecting favorable pricing of $267 million, partially offset by unfavorable volume/mix of $49 million.
- Reported OCI increased by 5.6% to $1.0 billion, despite unfavorable currency of $63 million.
- Excluding the impact of currency, OCI increased by 11.9%, primarily reflecting favorable pricing, partially offset by unfavorable volume/mix of $71 million and higher costs, mainly related to the restructuring of manufacturing facilities and distribution infrastructure.
- Excluding the impact of currency, adjusted OCI margin increased by 1.7 percentage points to 32.4%.