

Philip Morris International Inc.
Form 424B2
August 27, 2008
Table of Contents

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

Filed pursuant to Rule 424(b)(2)

Registration No. 333-150449

Subject to Completion, dated August 27, 2008

Prospectus Supplement to Prospectus dated April 25, 2008

Philip Morris International Inc.

% Notes due

% Notes due

Interest on each series of notes is payable annually on September of each year, beginning September , 2009. 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 \$50,000 and integral multiples of \$50,000 in excess thereof.

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

See **Risk Factors** on page 1 of the attached prospectus.

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)	
	Per Note	Total	Per Note	Total	Per Note	Total
% Notes due						
	%		%		%	

Edgar Filing: Philip Morris International Inc. - Form 424B2

% Notes due	%	%	%
Combined Total			

The public offering prices set forth above do not include accrued interest. Interest on the notes of each series will accrue from September , 2008.

The underwriters expect to deliver the notes of each series to purchasers in book-entry form only through The Depository Trust Company, Clearstream or Euroclear, on or about September , 2008.

Joint Book-Running Managers

Citi

Deutsche Bank

HSBC

JPMorgan

Prospectus Supplement dated August , 2008

Table of Contents

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT

<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	S-1
<u>FORWARD-LOOKING AND CAUTIONARY STATEMENTS</u>	S-2
<u>SUMMARY OF THE OFFERING</u>	S-3
<u>THE COMPANY</u>	S-5
<u>USE OF PROCEEDS</u>	S-5
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	S-6
<u>CAPITALIZATION</u>	S-6
<u>CURRENCY CONVERSION AND FOREIGN EXCHANGE RISKS</u>	S-7
<u>SELECTED HISTORICAL FINANCIAL DATA</u>	S-9
<u>DESCRIPTION OF NOTES</u>	S-11
<u>CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS</u>	S-19
<u>UNDERWRITING</u>	S-25
<u>OFFERING RESTRICTIONS</u>	S-26
<u>DOCUMENTS INCORPORATED BY REFERENCE</u>	S-28
<u>LEGAL MATTERS</u>	S-28
<u>EXPERTS</u>	S-28

PROSPECTUS

<u>ABOUT THIS PROSPECTUS</u>	i
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	i
<u>DOCUMENTS INCORPORATED BY REFERENCE</u>	ii
<u>FORWARD-LOOKING AND CAUTIONARY STATEMENTS</u>	ii
<u>THE COMPANY</u>	1
<u>RISK FACTORS</u>	1
<u>USE OF PROCEEDS</u>	2
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	2
<u>DESCRIPTION OF DEBT SECURITIES</u>	2
<u>DESCRIPTION OF DEBT WARRANTS</u>	15
<u>PLAN OF DISTRIBUTION</u>	16
<u>LEGAL MATTERS</u>	16
<u>EXPERTS</u>	16

You should rely only on the information contained or incorporated by reference in this prospectus supplement, any related free writing prospectus and the attached prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. 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 free writing prospectus or the attached prospectus 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.

In connection with the issuance of the notes, Deutsche Bank AG, London Branch, as stabilizing manager (or persons acting on its behalf), may over allot notes or effect transactions with a view to supporting the price of the notes at a level higher than that which might otherwise prevail. However, there is no assurance that the stabilizing manager (or persons acting on its behalf) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the notes and 60 days after the date of the allotment of the notes. Such stabilization shall be conducted in accordance with all applicable laws and rules.

Table of Contents

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 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.

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 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 publish a prospectus for offers of notes. Accordingly, any person making or intending to make an offer of notes within the European Economic Area may only do so in circumstances in which no obligation arises for us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized, nor do 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.

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 **Where You Can Find More Information** in the attached prospectus, including our Registration Statement on Form 10, effective March 7, 2008, our Quarterly Report on Form 10-Q for the quarters ended March 31, 2008 and June 30, 2008 and our Current Reports on Form 8-K filed with the Securities and Exchange Commission, or SEC, on March 31, 2008, May 16, 2008 and July 31, 2008, 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. References to **€** and **euro** are to the currency of the member states of the European Monetary Union that have adopted or that adopt the single currency in accordance with the treaty establishing the European Community, as amended by the Treaty on European Union. References to **CAD\$** are to Canadian dollars.

Table of Contents

FORWARD-LOOKING AND CAUTIONARY STATEMENTS

Some of the information included or incorporated by reference in this prospectus supplement and the attached prospectus contain forward-looking statements. 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 them 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.

Table of Contents

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 , maturing September , .</p> <p>total principal amount of % notes due , maturing September , .</p>
Interest Rates	<p>The notes due will bear interest from September , at the rate of % per annum.</p> <p>The notes due will bear interest from September , at the rate of % per annum.</p>
Interest Payment Dates	September of each year, beginning on September , 2009.
Anticipated Ratings*	<p>Moody s: A2</p> <p>Standard & Poor s: A</p> <p>Fitch: A+</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	We will issue the notes under an indenture containing covenants that restrict our ability, with significant exceptions, to:

Edgar Filing: Philip Morris International Inc. - Form 424B2

incur debt secured by liens; and

engage in sale/leaseback transactions.

Use of Proceeds

We will receive net proceeds (before expenses) from this offering of approximately . We intend to use the net proceeds from the offering for general corporate purposes, including the repayment of outstanding loans under our term loan facility and to (partially) fund

S-3

Table of Contents

the acquisition of all outstanding common shares of Rothmans Inc., subject to the satisfaction of the terms and conditions in connection therewith. 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 issued only in registered, book-entry form. There will be a global note deposited with HSBC Bank USA, National Association, as custodian for, and registered in the name of, Cede & Co., as nominee of The Depository Trust Company, or DTC, and an international global note deposited with a common depository for Euroclear Bank S.A./N.V., or Euroclear, and Clearstream Banking, société anonyme, or Clearstream. Transfers between DTC and Euroclear or Clearstream will occur free of payment, via the Trustee (as defined below). DTC will only make payments of interest and principal in U.S. dollars. Holders of beneficial interests through DTC may either elect to receive euro outside of DTC or will receive U.S. dollars converted at prevailing exchange rates. Any costs of conversion will be borne by the holders receiving U.S. dollars in DTC.

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 in the attached prospectus and the documents incorporated or deemed to be incorporated by reference herein or therein for a discussion of the factors you should consider carefully before deciding to invest in the notes.

Trustee HSBC Bank USA, National Association

* Ratings are not a recommendation to purchase, hold or sell the notes, inasmuch as the ratings do not comment as to market price or suitability for a particular investor. The ratings are based on current information furnished to the rating agencies by us and information obtained by the rating agencies from other sources. The ratings are only accurate as of the date hereof and may be changed, superseded or withdrawn as a result of changes in, or unavailability of, such information, and, therefore, a prospective purchaser should check the current ratings before purchasing the notes. Moody's, Standard & Poor's and Fitch have provided ratings outlooks for PMI of stable, stable and negative, respectively.

Table of Contents

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. Prior to March 28, 2008, we were a wholly-owned subsidiary of Altria Group, Inc., or Altria. On January 30, 2008, the Altria Board of Directors voted to spin off all shares of our common stock held by Altria on a pro rata basis to its stockholders in a tax-free distribution. As a result, effective as of the close of business on March 28, 2008, or the distribution date, we became an independently traded public company. Altria no longer owns any shares of our common stock.

We are the largest (in terms of volume) and most profitable publicly traded tobacco company in the world. With a shipment volume of 850 billion cigarettes in 2007, our products are sold in approximately 160 countries. In 2007, we held an estimated 15.6% share of the 5.5 trillion unit, or individual cigarette, international (which term as used in this prospectus supplement excludes the United States) cigarette market and an estimated 25.2% of the international cigarette market excluding the People's Republic of China, or PRC. We held a 52.4% share of the international premium price category (excluding the PRC) in 2007. We estimate that this category represents 24% of total industry unit sales. We are also growing our share of the below premium price category, which accounted for 76% of industry volume in 2007, and are expanding our leading position in the American type blend category.

Our strong portfolio of brands is led by *Marlboro*, with an international volume in 2007 exceeding the combined volume of the four Global Drive Brands of British American Tobacco plc, as well as the combined volume of the four Global Focus Brands of Japan Tobacco Inc., our two largest international competitors.

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

Recent Developments

On July 31, 2008, we announced that we entered into an agreement with Rothmans Inc., a Canadian corporation, or Rothmans, to purchase, by way of a tender offer, all of the outstanding common shares of Rothmans for CAD\$30.00 per share in cash. Rothmans' sole holding is a 60% interest in Rothmans, Benson & Hedges Inc., or RBH. The remaining 40% interest in RBH is currently owned by PMI. The aggregate transaction value on a fully-diluted basis is approximately CAD\$2.0 billion. The tender offer commenced within ten days of the announcement, will remain open for a minimum of 35 days and is expected to be completed by September 30, 2008. Our obligation to acquire the tendered shares will be subject to various conditions, including (i) the valid deposit of at least 66-2/3% of the outstanding shares on a fully-diluted basis; (ii) receipt of Competition Act Canada and Investment Canada approvals; and (iii) the non-occurrence of a material adverse effect. In the event the transaction is terminated due to certain circumstances described in the agreement, we may be required to pay Rothmans a termination fee of 4% of the consideration payable to Rothmans' shareholders.

USE OF PROCEEDS

We will receive net proceeds (before expenses) from this offering of approximately . We intend to use the net proceeds from the offering for general corporate purposes, including the repayment of outstanding borrowings under our term loan facility which we entered into in 2007 for the purpose of refinancing existing indebtedness and to (partially) fund the acquisition of all outstanding common shares of Rothmans, subject to the satisfaction of certain terms and conditions. The term loan facility borrowings to be repaid are in the amount of 1,000,000,000 (approximately \$, based on the August , 2008 exchange rate), accrue interest at the rate of EURIBOR plus 0.30% and mature on November 6, 2008. If we do not use the net proceeds immediately, we will temporarily invest them in short-term, interest-bearing instruments.

Table of Contents**RATIO 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.

	Six Months Ended		Year Ended December 31,			
	June 30, 2008	2007	2006	2005	2004	2003
Ratios of earnings to fixed charges	21.1	25.7	19.4	19.6	26.4	29.3

Earnings available for fixed charges represent earnings before income taxes, minority interest and cumulative effect of accounting change(s) 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.

CAPITALIZATION

The following table sets forth our capitalization on a consolidated basis as of June 30, 2008. We have presented our capitalization on both an actual and an as adjusted basis to reflect (i) the issuance of notes offered hereby and (ii) the repayment of outstanding borrowings under our term loan facility. You should read the following table along with our financial statements and the accompanying notes to those statements, together with management's discussion and analysis of financial condition and results of operations, that we have incorporated by reference in this prospectus supplement, and our selected historical financial data included in this prospectus supplement.

	As of June 30, 2008	
	Actual (in millions except for share data)	As Adjusted
Short-term borrowings, including current maturities	\$ 2,052	\$ (1)
% Notes due		(2)
% Notes due		(2)
Other long-term debt	6,271	6,271
Total debt	8,323	
Total stockholders' equity	13,867	13,867
Total capitalization	\$ 22,190	\$

- (1) Our short-term borrowings, including current maturities, will be reduced by the U.S. dollar equivalent of 1,000,000,000. Any excess of the aggregate net proceeds from the notes offered hereby over 1,000,000,000 will increase our long-term debt and our total debt levels by the amount of such excess.
- (2) Based on the euro/dollar exchange rate as of August 1, 2008 of approximately euro 1/U.S.\$ 1.32.

Table of Contents

CURRENCY CONVERSION AND FOREIGN EXCHANGE RISKS

Investors will be required to pay for the notes in euro.

Principal and interest payments in respect of the notes are payable by us in euro, but holders of beneficial interests in global notes (as described below under **Description of Notes**) held through DTC, other than Euroclear and Clearstream, will receive payments in U.S. dollars unless they elect to receive payments in euro. If a holder through DTC has not made such an election, payments to the holder will be converted to U.S. dollars by the exchange agent, which may be the trustee or selected by the trustee for that purpose after consultation with us. All costs of conversion will be borne by the holder by deduction from the payments. The U.S. dollar amount of any payment in respect of principal or interest received by a holder not electing payment in euro will be the amount of euro otherwise payable exchanged into U.S. dollars at the euro/U.S. dollar rate of exchange prevailing as at 11:00 a.m. (New York City time) on the day which is two Business Days (as defined below) prior to the relevant payment date, less any costs incurred by the exchange agent for the conversion (to be shared pro rata among the holders of beneficial interests in the global notes accepting U.S. dollar payments in proportion to their respective holdings), all in accordance with the indenture and the notes.

The trustee will obtain a bid quotation from a leading foreign exchange bank in the City of New York, which may be the trustee or selected by the trustee for that purpose after consultation with us. If no bid quotation from a leading foreign exchange bank is available, payment will be in euro to the account or accounts specified by DTC to the trustee unless euro are unavailable due to the imposition of exchange controls or other circumstances beyond our control.

The holder of a beneficial interest in the global notes held through a participant of DTC (other than Euroclear or Clearstream) may elect to receive payment or payments under a global note in euro by notifying the participant of DTC, or DTC Participant, through which its notes are held on or prior to the applicable Record Date (as defined below) of (1) the investor's election to receive all or a portion of the payment in euro and (2) wire transfer instructions to a euro account located outside of the United States. DTC must be notified of an election and wire transfer instructions (1) on or prior to the third New York Business Day (as defined below) after the Record Date (as defined below) for any payment of interest and (2) on or prior to the fifth New York Business Day prior to the date for any payment of principal. DTC will notify the trustee of an election and wire transfer instructions (1) on or prior to 5:00 p.m., New York City time, on the fifth New York Business Day after the Record Date for any payment of interest and (2) on or prior to 5:00 p.m., New York City time, on the third New York Business Day prior to the date for any payment of principal. If complete instructions are forwarded to and received by DTC through DTC Participants and forwarded by DTC to the trustee and received on or prior to such dates, such investor will receive payment in euro outside DTC; otherwise, only U.S. dollar payments will be made by the trustee to DTC. All costs of conversion will be borne by holders of beneficial interests in the global notes receiving U.S. dollars by deduction from those payments.

The term **Business Day** means any day other than (1) a Saturday or Sunday or a day on which commercial banks in the City of New York or the City of London are authorized or required by law, regulation or executive order to close and (2) a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET or TARGET2) system is not open.

The term **New York Business Day** means any day other than a Saturday or Sunday or a day on which commercial banks in the City of New York are authorized or required by law, regulation or executive order to close.

The term **Record Date** means _____ of each year.

Investors will be subject to foreign exchange risks as to payments of principal and interest that may have important economic and tax consequences to them. See **Foreign Exchange Risk** below.

Table of Contents

As of August , 2008, the euro/U.S. dollar rate of exchange was euro 1/U.S.\$.

Foreign Exchange Risk

An investment in notes which are denominated in, and all payments in respect of which are to be made in, a currency other than the currency of the country in which the purchaser is resident or the currency in which the purchaser conducts its business or activities (the home currency), entails significant risks not associated with a similar investment in a security denominated in the home currency. These include the possibility of:

significant changes in rates of exchange between the home currency and the euro, and

the imposition or modification of foreign exchange controls with respect to the euro.

We have no control over a number of factors affecting this type of note, including economic, financial and political events that are important in determining the existence, magnitude and longevity of these risks and their results. In recent years, rates of exchange for certain currencies, including the euro, have been highly volatile and this volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative of fluctuations in the rate that may occur during the term of the notes. Depreciation of the euro against the home currency could result in a decrease in the effective yield of the notes below the coupon rate, and in certain circumstances, could result in a loss to you on a home currency basis.

This description of foreign currency risks does not describe all the risks of an investment in securities denominated in a currency other than the home currency. You should consult your own financial and legal advisors as to the risks involved in an investment in the notes.

Table of Contents

SELECTED HISTORICAL FINANCIAL DATA

The following table presents our 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 Registration Statement on Form 10 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 that we have incorporated by reference in this prospectus supplement. The selected historical financial data for the six months ended June 30, 2008 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 selected historical financial data are not necessarily indicative of our future performance and do not reflect what our financial position and results of operations would have been had we operated as a stand-alone company during the periods presented.

S-9

Table of Contents

	Year Ended December 31,		Six Months Ended June 30,	
	2006	2007	2007	2008
	(in millions, except per share dollar amounts)			
	(audited)		(unaudited)	
Consolidated Statement of Earnings Data:				
Net revenues	\$ 48,260	\$ 55,096	\$ 27,216	\$ 32,302
Cost of sales	8,153	8,720	4,365	4,761
Excise taxes on products	27,466	32,298	15,832	19,263
Gross profit	12,641	14,078	7,019	8,278
Marketing, administration and research costs	4,551	5,021	2,521	2,768
Italian antitrust charge	61			
Asset impairment and exit costs	126	208	138	71
Gain on sale of business	(488)	(52)		
Amortization of intangibles	23	28	12	16
Operating income	8,368	8,873	4,348	5,423
Interest expense, net	142	10	13	136
Earnings before income taxes and minority interest	8,226	8,863	4,335	5,287
Provision for income taxes	1,829	2,564	1,286	1,601
Earnings before minority interest	6,397	6,299	3,049	3,686
Minority interest in earnings, net	251	273	121	127
Net earnings	\$ 6,146	\$ 6,026	\$ 2,928	\$ 3,559
Earnings Per Share Data:(1)				
Basic earnings per share	\$ 2.91	\$ 2.86	\$ 1.39	\$ 1.69
Diluted earnings per share	\$ 2.91	\$ 2.86	\$ 1.39	\$ 1.69
Shares used in computing:				
Basic earnings per share	2,109	2,109	2,109	2,101
Diluted earnings per share	2,109	2,109	2,109	2,108
Balance Sheet Data:(2)				
Cash and cash equivalents	\$ 1,676	\$ 1,656		\$ 3,028
Receivables	2,160	3,240		3,093
Inventories	7,075	9,332		9,003
Due from Altria Group, Inc. and affiliates	588	257		
Other current assets	426	567		626
Total current assets	11,925	15,052		15,750
Property, plant and equipment, at cost	9,462	11,685		12,857
Less accumulated depreciation	4,224			