



Q1 2018 Earnings – Quarterly Metrics		
Smokeable	Q1 2018	Δ vs. Q1 2017
<i>Marlboro</i> Price Gap (vs. Lowest Effective)	30%	
<i>Marlboro</i> Net Pack Price	\$6.71	\$0.35
Lowest Effective Price	\$5.15	\$0.24
<u>Discount Segment Retail Share</u>	<u>24.0%</u>	<u>+0.3 pp</u>
Major Manufacturer Branded Discount	16.3%	(0.3 pp)
Deep Discount	7.7%	+0.6 pp
Estimated Weighted Average State Excise Tax per pack	\$1.75	\$0.14
2018 PM USA Wholesale Inventory Estimates:	(in billion units)	
End of Q1 2018	3.9	
End of Q4 2017	2.6	
End of Q1 2017	2.5	
End of Q4 2016	2.4	
2018 Cigarette Industry Wholesale Inventory (PM USA Estimates):	(in billion units)	
End of Q1 2018	8.1	
End of Q4 2017	5.9	
End of Q1 2017	5.6	
End of Q4 2016	5.9	

Note: Wholesale inventory changes are one factor PM USA uses to estimate adjusted PM USA and industry volumes.

Smokeless	Q1 2018	Δ vs. Q1 2017
<i>Copenhagen</i> Price Gap (vs Leading Discount Brand)	23%	
<i>Copenhagen</i> Retail Price	\$4.75	\$0.25
Leading Discount Brand	\$3.85	\$0.26

Other	Q1 2018	Q1 2017
Capital Expenditures	\$34 million	\$33 million
Ongoing Depreciation and Amortization	\$53 million	\$52 million

*All Smokeable and Smokeless prices reflect IRI restatement.