



Q2 2017 Earnings – Quarterly Metrics		
Smokeable	Q2 2017	Δ vs. Q2 2016
<i>Marlboro</i> Price Gap (vs. Lowest Effective)	28%	
<i>Marlboro</i> Net Pack Price	\$6.63	\$0.42
Lowest Effective Price	\$5.16	\$0.37
<u>Discount Category Retail Share</u>	<u>23.7%</u>	<u>(0.1pp)</u>
Major Manufacturer Branded Discount	16.6%	(0.5pp)
Deep Discount	7.1%	+0.4pp
Estimated Weighted Average State Excise Tax per pack	\$1.74	\$0.19
2017 PM USA Wholesale Inventory Estimates:	(in billion units)	
End of Q2 2017	3.2	
End of Q1 2017	2.6	
End of Q2 2016	2.3	
End of Q1 2016	2.7	
2017 Cigarette Industry Wholesale Inventory (PM USA Estimates):	(in billion units)	
End of Q2 2017	6.6	
End of Q1 2017	5.6	
End of Q2 2016	5.4	
End of Q1 2016	5.7	

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

Smokeless	Q2 2017	Δ vs. Q2 2016
<i>Copenhagen</i> Price Gap (vs Leading Discount Brand)	23%	
<i>Copenhagen</i> Retail Price	\$4.54	\$0.18
Leading Discount Brand	\$3.70	\$0.22

Other	Q2 2017	1H 2017
Capital Expenditures	\$58 million	\$91 million
Ongoing Depreciation and Amortization	\$52 million	\$104 million

*All Smokeable and Smokeless prices reflect IRI restatement.