Reconciliations of Non-GAAP financial measures provided by Billy Gifford, Altria Group, Inc.'s (Altria) CFO, at the 2016 Barclays Global Consumer Staples Conference
Boston, Massachusetts
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Altria Group, Inc. and Consolidated Subsidiaries, Full-Year Adjusted Earnings Per Share (EPS) Results

	Full Year Ended December 31,		
	2015	2010	Compounded Annual Growth Rate
Reported diluted EPS	**$ 2.67**	**$ 1.87**	
NPM Adjustment Items	(0.03)	—	
Tobacco and health litigation items	0.05	—	
SABMiller special items	0.04	0.03	
Loss on early extinguishment of debt	0.07	—	
Asset impairment, exit, integration, implementation and acquisition-related costs	—	0.05	
Tax items	—	(0.05)	
Adjusted diluted EPS	**$ 2.80**	**$ 1.90**	**8.1%**

Altria Group, Inc. and Consolidated Subsidiaries, Selected Financial Data for Smokeable Products
($ in millions)

	Six Months Ended June 30,		
	2016	2015	Change
Net Revenues	**$ 11,251**	**$ 11,195**	
Excise taxes	(3,098)	(3,194)	
Revenues net of excise taxes	**$ 8,153**	**$ 8,001**	
Reported OCI	**$ 3,869**	**$ 3,710**	**4.3%**
NPM Adjustment Items	(12)	—	
Asset impairment, exit and implementation costs	101	—	
Tobacco and health litigation items	27	48	
Adjusted OCI	**$ 4,009**	**$ 3,758**	**6.7%**
Adjusted OCI margins[1]	**49.2 %**	**47.0%**	**2.2 pp**

[1] Adjusted OCI margins are calculated as adjusted OCI divided by revenues net of excise taxes.

Altria Group, Inc. and Consolidated Subsidiaries, Selected Financial Data for Smokeless Products
($ in millions)

	Six Months Ended June 30,		
	2016	2015	Change
Net revenues	**$ 1,002**	**$ 911**	
Excise taxes	(67)	(66)	
Revenues net of excise taxes	**$ 935**	**$ 845**	
Reported OCI	**$ 618**	**$ 544**	
Asset impairment and exit costs	13	4	
Adjusted OCI	**$ 631**	**$ 548**	**15.1%**

Altria reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). Altria's management reviews operating companies income (OCI), which is defined as operating income before general corporate expenses and amortization of intangibles, to evaluate the performance of, and allocate resources to, the segments. Altria's management also reviews certain financial results, including OCI, operating margins and diluted EPS, on an adjusted basis, which excludes certain income and expense items that management believes are not part of underlying operations. These items may include, for example, loss on early extinguishment of debt, restructuring charges, SABMiller plc (SABMiller) special items, certain tax items, charges associated with tobacco and health litigation items, and settlements of, and determinations made in connection with, certain non-participating manufacturer (NPM) adjustment disputes (such settlements and determinations are referred to collectively as NPM Adjustment Items). Altria's management does not view any of these special items to be part of Altria's sustainable results as they may be highly variable, are difficult to predict and can distort underlying business trends and results. Altria's management believes that adjusted financial measures provide useful insight into underlying business trends and results and provide a more meaningful comparison of year-over-year results. Altria's management uses adjusted financial measures for planning, forecasting and evaluating business and financial performance, including allocating resources and evaluating results relative to employee compensation targets. These adjusted financial measures are not consistent with GAAP and may not be calculated the same as similarly titled measures used by other companies. These adjusted financial measures should thus be considered as supplemental in nature and not considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP.

Source: Altria Group, Inc.