

Reconciliations of non-GAAP financial measures provided at the 2018 Barclays Global Consumer Staples Conference

Boston, Massachusetts

September 5, 2018

Non-GAAP Financial Measures

Altria Group, Inc. (Altria) reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). Altria's management reviews certain financial results, including diluted earnings per share (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, gain/loss on Anheuser-Busch InBev SA/NV (AB InBev)/SABMiller plc (SABMiller) business combination, AB InBev/SAB Miller special items, certain tax items, charges associated with tobacco and health litigation items, and resolutions of certain non-participating manufacturer (NPM) adjustment disputes under the Master Settlement Agreement (such dispute resolutions are referred to as NPM Adjustment Items).

Altria's management does not view any of these special items to be part of Altria's underlying results as they may be highly variable, may be infrequent, are difficult to predict and can distort underlying business trends and results. Altria's management believes that adjusted financial measures provide useful additional 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. Reconciliations of historical adjusted financial measures to corresponding GAAP measures are provided below.

Altria Group, Inc. and Consolidated Subsidiaries, Adjusted EPS Results

(\$ in millions, except per share data)

	Earnings before Income Taxes	(Benefit) Provision for Income Taxes	Net Earnings	Net Earnings Attributable to Altria Group, Inc.	Diluted EPS
For the year ended December 31, 2017					
2017 Reported	\$ 9,828	\$ (399)	\$ 10,227	\$ 10,222	\$ 5.31
NPM Adjustment Items	4	2	2	2	—
Tobacco and health litigation items	80	30	50	50	0.03
AB InBev special items	160	55	105	105	0.05
Asset impairment, exit, implementation and acquisition-related costs	89	34	55	55	0.03
Gain on AB InBev/SABMiller business combination	(445)	(156)	(289)	(289)	(0.15)
Settlement charge for lump sum pension payments	81	32	49	49	0.03
Tax items	—	3,674	(3,674)	(3,674)	(1.91)
2017 Adjusted for Special Items	\$ 9,797	\$ 3,272	\$ 6,525	\$ 6,520	\$ 3.39
For the year ended December 31, 2012					
2012 Reported	\$ 6,477	\$ 2,294	\$ 4,183	\$ 4,180	\$ 2.06
Asset impairment, exit and implementation costs	56	21	35	35	0.01
SABMiller special items	(248)	(87)	(161)	(161)	(0.08)
PMCC leveraged lease benefit	7	75	(68)	(68)	(0.03)
Loss on early extinguishment of debt	874	315	559	559	0.28
Tobacco and health litigation items	5	1	4	4	—
Tax items	(52)	14	(66)	(66)	(0.03)
2012 Adjusted for Special Items	\$ 7,119	\$ 2,633	\$ 4,486	\$ 4,483	\$ 2.21
Adjusted Diluted EPS Compounded Annual Growth Rate 2017-2012					8.9%