Safe Harbor Statement

Statements, including earnings guidance, in this presentation that are not reported financial results or other historical information are “forward-looking statements” within the meaning of Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current plans, estimates and expectations, and are not guarantees of future performance. They are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. Altria undertakes no obligation to publicly update or revise any forward-looking statement other than in the normal course of its public disclosure obligations. The risks and uncertainties relating to the forward-looking statements in this presentation include those described under “Risk Factors” in its Annual Report on Form 10-K for the year ended December 31, 2017 and under “Cautionary Factors That May Affect Future Results” in its Quarterly Report on Form 10-Q for the period ended September 30, 2018.

Additionally, risks and uncertainties relating to the forward-looking statements in this presentation related to Altria’s investments in JUUL Labs, Inc. and Cronos Group Inc. can be found in the Forward-Looking and Cautionary Statements section in today’s press release.
A diversified portfolio of products for adults

- **Marlboro, Black & Mild, Copenhagen** and **Skoal**, our companies’ leading core tobacco brands
- **IQOS**, the global heat-not-burn category leader
- 35% strategic investment in **JUUL**, the domestic e-vapor leader
- Ownership of Ste. Michelle Wine Estates and a 10% stake in **AB InBev**, the first truly global beer company
- Investment in **Cronos Group**, an emerging global cannabinoid company*

Trademarks used for discussion purposes only. All third-party trademarks remain the property of their respective owners.

* Subject to shareholder and regulatory approvals and customary closing conditions
**Long-term Financial Goals**

Grow adjusted diluted earnings per share (EPS) at an average annual rate of 7% to 9%

Maintain a dividend payout ratio target of approximately 80% of adjusted diluted EPS
2018 Strategic Assessment Conclusions

- Adult tobacco consumers continue to evolve
- Significant future opportunity for tobacco harm reduction
- Adjacent investments with global opportunities can improve long-term growth
- Continued investment in our core tobacco businesses to drive strong results
2007 U.S. Tobacco Category Dynamics

**Consumer Expenditure Estimates at Retail**

- **Major Tobacco Categories**: $73
- **Cigarettes**: $66

**Volume Performance Estimates**

- **Cigarettes**: 5%
- **Machine-made Large Cigars**: 8%
- **Smokeless Products**: (4)%

*Source: ALCS CMI estimates based on TTB data through December 2007 and IRI/Capstone 2007*
Return on Invested Capital Exceeded WACC within 5 Years

Middleton

USSTC

WACC ~7%

Source: Altria estimates
Note: 10-year weighted average cost of capital as calculated by Bloomberg

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Grew their combined net revenues, net of FET* by 1.8%¹
Grew adjusted operating companies income* by 5.1%¹
Expanded combined adjusted OCI margins* by 13.3 percentage points

Source: Altria Company Reports.
* For reconciliations of non-GAAP to GAAP measures visit altria.com.
¹ 2009 – 2018 CAGR
A Business Model that Delivered Strong Performance

Adjusted Diluted EPS*

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted Diluted EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$1.75</td>
</tr>
<tr>
<td>2018</td>
<td>$3.99</td>
</tr>
</tbody>
</table>

+9.6% CAGR

Dividends Per Share

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$1.36</td>
</tr>
<tr>
<td>2018</td>
<td>$3.20</td>
</tr>
</tbody>
</table>

+10.0% CAGR

Source: Altria company reports

* For reconciliations of non-GAAP to GAAP measures visit altria.com.

Note: Reported annualized dividend per share is based on the latest declared dividend.
Adult Tobacco Consumer Evolution

**Adult Past 30-Day Users by Category**

(in millions) as of 12/31/18

- **E-Vapor**: ~12
- **Smokeless**: ~6
- **Machine-made Cigars**: ~4

**E-vapor Category Growth**

(Est. Annual Equivalized Volume, in billions of EQ units)

- **JUUL**
  - 2013: 0.6
  - 2014: 1.0
  - 2015: 1.1
  - 2016: 1.0
  - 2017: 1.1
  - 2018: 1.5

Source: ALCS CMI estimates based on: IRI MOC; STARS; & comScore, ATCT.

Note: Volume equivalized to cartridges (1 disposable = 1 cartridge = 1mL e-liquid)

*LA+, Source: ATCT Dec 2018 12MM, P30 LA+ adults, weighted population data
Numbers are not mutually exclusive / additive

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JUUL Key Takeaways

Market Observations:
- Unique and compelling product
- Rapid growth and retail share leadership

Due Diligence Learnings:
- Positioned for long-term leadership globally
- Attractive product pipeline
- Robust automated manufacturing capability
- Talented management team and employees

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JUUL’s Growing Equity and Loyalty

Net Promoter Scores

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Working with JUUL to Advance Harm Reduction

Compelling Harm Reduction Opportunity
JUUL’s International Opportunity

2018 Global E-Vapor and Heat-not-Burn Sales Estimate ($, in billions)

North America: $6

International: $17

Global: $23B

Note: International excludes China

Source: Euromonitor

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**JUUL Early International Performance**

**Canada**

*Dollar Share of E-Vapor in Stores Selling JUUL (weekly)*

- **UK:** #1 e-vapor brand in Sainsbury Chain*
- **Italy & Germany:** combined initial distribution to more than 2,000 stores

Source: JUUL, Nielsen

Note: Stores selling represent 15% of e-vapor distribution in Canada

Note: Sainsbury data of 12 weeks

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Services Offered to JUUL to Enhance Commercial Success

- Premier innovative products fixture space
- Ability to connect directly with AS 21+ through PM USA’s database
- Inserts in cigarette packs
- Underage tobacco prevention resources
- Regulatory affairs capabilities
Our consumer research shows that adult smokers 21-29 have a higher interest in innovative products.
JUUL — Altria’s Key Transaction Assumptions through 2023

- U.S. e-vapor category growth: 15%-20% five-year CAGR
- JUUL continues to be the primary driver of e-vapor growth
- U.S. operating margin similar to that of current U.S. cigarettes
- International revenue equal to domestic revenue by 2023
- International margins that approach current international cigarette margins

Under these assumptions, projected return would exceed our current ~8% WACC in 5 years.

Note: Return calculated using traditional ROIC framework with Altria’s share of estimated JUUL net operating profit after tax (NOPAT) adjusted for the tax impact of equity earnings.
Transaction Update

- Filed application for anti-trust review in early February 2019
- Upon approval, shares will convert to voting shares, giving us a 35% economic and voting interest in JUUL and one-third of JUUL’s board seats
- Upon conversion, expect to account for this investment using equity method accounting
Reducing risk. Expanding choice.

Altria.
Fully Committed to the Success of IQOS

- U.S. commercialization rights to the IQOS system
- Room in market for multiple types of innovative products
- IQOS uses real tobacco to meet certain consumer preferences
- Establishing brick-and-mortar locations in multiple cities
Copenhagen Snuff Modified Risk Tobacco Product Application

TPSAC overwhelmingly voted that our proposed modified risk claim for Copenhagen Snuff is fully supported by scientific evidence.

Note: Vote of 8 in favor and 1 abstention
Diverse Income Streams from Alcohol Assets
Key Cannabis Investment Criteria

- Leverage Altria’s existing capabilities
- Expand our presence beyond the U.S. market
- Provide a path to worldwide industry leadership
- Provide accretion to Altria’s long-term performance
Investing to Accelerate Cronos’ Growth

- $1.8 billion for a ~45% stake with a warrant to purchase an additional 10%
- Allows Cronos to expand global footprint
- Cronos to focus on cannabinoid innovation, differentiated products
“We’re excited about the strategic investments we’ve made and the future for our core tobacco businesses.”
FDA’s Approach to Harm Reduction

“...we must acknowledge that there’s a continuum of risk for nicotine delivery. That continuum ranges from combustible cigarettes at one end, to medicinal nicotine products at the other.”

“...nicotine in cigarettes is not directly responsible for cancer, the lung disease, the heart disease [...]”

– Scott Gottlieb, M.D.
July 28, 2017
E-vapor Regulatory Objectives

- Encourage the development of a viable e-vapor market to support tobacco harm reduction
- Address and reduce youth use of e-vapor products

Altria and JUUL are committed to help and are taking decisive action.
JUUL Action Plan

- Stopped shipping flavored products other than tobacco, menthol and mint products to retail
- Enhanced 21+ online age-verification process on its website
- Developing 21+ restricted distribution system for retailers
- Stopped promotional use of U.S. social media platforms
- Continuing takedowns of inappropriate third-party social media content
- Developing new technologies to further restrict youth access
Advancing Harm Reduction and Addressing Youth Access

- Entered into service agreements designed to accelerate JUUL’s mission to switch adult smokers to e-vapor products
- Altria is advocating for raising the minimum age to purchase all tobacco products to 21 at both the federal and state levels
- JUUL supports raising the minimum age to 21
Further Altria Actions to Address Youth Epidemic

- Investing an additional $100 million over 2 years in underage tobacco prevention, to specifically address youth e-vapor use
- Committing to limit Altria’s support for expanded retail distribution to only tobacco, menthol and mint flavor JUUL pods and to no more than 20,000 additional stores in 2019
- Encourage FDA to take industry-wide action by banning retail and vape store sales of all non-traditional flavors until the youth issue is otherwise addressed, such as by the use of advanced age verification technology or pre-market authorization
FDA’s Plan for Regulatory Action of Menthol in Cigarettes

- Issued Advanced Notice of Proposed Rulemaking in 2018
- We believe this proposal:
  - Lacks scientific evidence that menthol leads to initiation or interferes with cessation
  - Creates unintended economic problems, such as an illicit market
- Altria’s enhanced business platform is positioned in the event of a menthol ban
Core Tobacco Business Performance
A large and resilient cigarette category

Long-term Decline Rate

We believe that cigarette volumes will decline at an average annual rate of 4% to 5% over the next five years.

Source: MSAI Shipments 2000, ALCS CMI Theoretical Estimates 2001 to 2018
Consistent Cigarette Prevalence Trends

Adult Smoker Prevalence - Past 30 day, 12mm

Source: LA+, Source: ATCT June 14 to Nov. 18

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2018 E-Vapor Category Volume Contribution by Age Group

- 21-29: ~38%
- 30-39: ~25%
- 40+: ~20%

Source: 12MM December 2018, Includes LA-20 in base
%'s computed on population weights
Enhancing *Marlboro*s Equity for Long-term Success
Driving Brand Engagement through Digital

Note: Third-party trademarks are the property of their respective owners and are included for informational purposes only.
Marlboro Rewards — Early Results

- ~1 Million Adult Smokers 21+ Enrollment
- ~5 Million Pack Codes Entered

New to Marlboro.com* (000’s)

- Marlboro Promotion Benchmark*
  - Jan-19: 163
- Marlboro Promotion Benchmark*
  - Jan-19: 64

~155%

*Source: Teradata ATCD As 1/31/19
**Average new M.Com registrants for Marlboro's 2 largest 2018 promotions over the same time frame
Stabilizing *Marlboro* Share

### YoY *Marlboro* Retail Share Change

- **Q1 18:** -0.5pp
- **Q2 18:** -0.3pp
- **Q3 18:** -0.1pp
- **Q4 18:** -0.1pp

### *Marlboro* Retail Share

- **Q4 2017:** 43.1%
- **FY 2018:** 43.1%

Source: Altria company reports
Marlboro’s Leading Brand Equity

Adult Smokers 21-54

<table>
<thead>
<tr>
<th>Brand</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marlboro</td>
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<tr>
<td>Camel</td>
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<tr>
<td>Newport</td>
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<tr>
<td>Natural American Spirit</td>
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Adult Smokers 21-29

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</tr>
<tr>
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</tr>
</tbody>
</table>

Source: Altria 2018 Brand Equity Report

For Investor Presentation ONLY
Note: It is IRI’s standard practice to periodically refresh its services, which could restate retail share results that were previously released in this service.
Cigarette Affordability
Per Pack Price as a % of Daily Consumer Expenditure

Sources: Euromonitor 2017, ALCS Estimates

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Strong Smokeless Income Growth & *Copenhagen* Share Gains

**Adjusted OCI**

$\text{\textdollar}1,362 \text{, in millions}$

+7.5%

2017

2018

**Copenhagen FY Retail Share**

34.0%

+0.4pp

2017

2018

34.4%

* For reconciliation of non-GAAP to GAAP measures see appendix.

Source: Altria company reports
Copenhagen's Strong Brand Equity

Adult Dippers 21-54

- Copenhagen: 63
- Skoal: 58
- Grizzly: 58

Adult Dippers 21-29

- Copenhagen: 69
- Skoal: 58
- Grizzly: 61

Source: Altria 2018 Brand Equity Study
Strengthening USSTC’s Strong Position in Mint and Wintergreen
We are reducing bureaucracy, decentralizing decision-making and more effectively using data analytics to drive strategy.
Committed to a Strong Balance Sheet and Balanced Capital Allocation

- Recently issued $16.3 billion of debt at a weighted average coupon of ~4.1%
- Overall weighted average coupon is now under 4.4%
- Committed to retaining investment grade credit ratings
- Committed to 80% dividend payout ratio target
- ~$1 billion annually in excess cash*

* For reconciliations of non-GAAP to GAAP measures visit altria.com.
Post-UST Transaction Balance Sheet Evolution

Altria’s Historical Debt to EBITDA*

- 2009: 1.9X
- 2017: 1.3X
- 2018: 2.5X

LTM Debt to EBITDA

- Tobacco Peers

For reconsilations of non-GAAP to GAAP measures visit altria.com.

Source: Altria company reports, FactSet (most recent filing as of 02/07/19)
2019 Guidance

We reaffirm our guidance to deliver 2019 adjusted diluted EPS in a range of $4.15 to $4.27, representing a growth rate of 4% to 7% from our adjusted diluted EPS base of $3.99* in 2018.

* For reconciliations of non-GAAP to GAAP measures visit altria.com.
Regulation G Disclosure

- For reconciliations and further explanations of non-GAAP financial measures, visit: altria.com