Section 1: 11-K (FORM 11-K)

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2018

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-08940

Deferred Profit-Sharing Plan for Salaried Employees

(Full title of the plan)

ALTRIA GROUP, INC.

6601 West Broad Street
Richmond, Virginia 23230

(Name of issuer of the securities held pursuant to the plan and address of its principal executive office.)

DEFERRED PROFIT-SHARING PLAN FOR SALARIED EMPLOYEES
ANNUAL REPORT ON FORM 11-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

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* Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended, are omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Administrator and Plan Participants of the Deferred Profit-Sharing Plan for Salaried Employees:

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of the Deferred Profit-Sharing Plan for Salaried Employees (the “Plan”) as of December 31, 2018 and 2017 and the related statement of changes in net assets available for benefits for the year ended December 31, 2018, including the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2018 and 2017, and the changes in net assets available for benefits for the year ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan’s management. Our responsibility is to express an opinion on the Plan’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Supplemental Information

The supplemental Schedule of Assets (Held at End of Year) as of December 31, 2018 and Schedule of Delinquent Participant Contributions have been subjected to audit procedures performed in conjunction with the audit of the Plan’s financial statements. The supplemental schedules are the responsibility of the Plan’s management. Our audit procedures included determining whether the supplemental schedules reconcile to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedules. In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ PRICEWATERHOUSECOOPERS LLP

Richmond, Virginia
June 13, 2019

We have served as the Plan’s auditor since at least 1994. We have not been able to determine the specific year we began serving as auditor of the Plan.

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DEFERRED PROFIT-SHARING PLAN FOR SALARIED EMPLOYEES
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(in thousands of dollars)

At December 31,	**2018**	**2017**
Investments at fair value:		
Plan’s interest in Master Trust A	$ 1,719,128	$ 1,834,142
Plan’s interest in Master Trust B	1,316,379	2,052,024
Investments at fair value	3,035,507	3,886,166
Investments at contract value:		
Plan’s interest in Master Trust A for fully benefit-responsive investment contracts	544,360	541,766
Total investments	3,579,867	4,427,932
Receivables:		
Employer’s contribution	54,333	51,634
Notes receivable from participants	30,193	31,151
Total receivables	84,526	82,785
Net assets available for benefits	$ 3,664,393	$ 4,510,717

The accompanying notes are an integral part of these financial statements.

DEFERRED PROFIT-SHARING PLAN FOR SALARIED EMPLOYEES
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(in thousands of dollars)

For the year ended December 31,	**2018**
Additions to net assets attributed to:	
Interest income on notes receivable from participants	$ 1,459
Contributions to the Plan:	
By employer	62,354
By participants	52,831
Total contributions	115,185
Total additions	116,644
Deductions from net assets attributed to:	
Investment loss:	
Plan’s interest in loss from Master Trust A	(79,481)
Plan’s interest in loss from Master Trust B	(542,733)
Total investment loss	(622,214)
Withdrawals and distributions	(343,683)
Total deductions	(965,897)
Net decrease prior to transfers	(849,253)
Transfer from the Hourly Plan	2,949
Transfer to the Hourly Plan	(20)
Net decrease	(846,324)
Net assets available for benefits:	
Beginning of year	4,510,717
End of year	$ 3,664,393

The accompanying notes are an integral part of these financial statements.

DEFERRED PROFIT-SHARING PLAN FOR SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

1. Description of the Plan

The following description of the Deferred Profit-Sharing Plan for Salaried Employees (the “Plan”) provides only general information. Participants should refer to the Summary Plan Description or the Plan document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan maintained for the benefit of eligible salaried employees, as discussed below in *Plan Participation*, of Altria Group, Inc. (“Altria”) and certain of its subsidiaries (individually, a “Participating Company”; collectively, the “Participating Companies”). The Plan is designed to provide eligible salaried employees with company contributions, the opportunity for employees to make contributions on a before-tax and/or after-tax basis, company match contributions on employee contributions for Match-Eligible Participants and SMWE Match-Eligible Participants (as such terms are defined below), and tax-advantaged investment of the Plan accounts. Beginning January 1, 2018, the Plan introduced a Roth contribution feature. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Plan Administration

The administration of the Plan has generally been delegated to the Administrator (as defined in the Plan). The Altria Group Benefits Investment Committee (the “Investment Committee”) is the named fiduciary responsible for the operation and management of the investment options in the Plan, other than the investment options (the “Altria Stock Investment Option”, the “Mondelēz Stock Investment Option”, the “PMI Stock Investment Option” and the “Kraft Heinz Stock Investment Option”; collectively, the “Common Stock Investment Options”) invested exclusively in the common stock of Altria (“Altria Stock”), the Class A common stock of Mondelēz International, Inc. (“Mondelēz Stock”), the common stock of Philip Morris International Inc. (“PMI Stock”) and the common stock of The Kraft Heinz Company (“Kraft Heinz Stock”), respectively (collectively, the “Common Stocks”). Fiduciary Counselors Inc. (“Fiduciary Counselors”) is the named fiduciary with respect to the management of the investment of the Common Stock Investment Options. The Administrator, the Investment Committee and Fiduciary Counselors are hereinafter collectively referred to as the “Fiduciaries”.

Plan Participation

Eligibility for benefits under the Plan depends on an employee’s Participating Company affiliation and eligibility to participate in a company-sponsored pension plan, as follows:

- “Non-Match-Eligible Participants”:
    - Salaried employees other than Match-Eligible Participants and SMWE Match-Eligible Participants, as defined below, are eligible to make employee contributions and to receive a company contribution;
- “Match-Eligible Participants”:
    - Salaried employees (except SMWE Match-Eligible Participants) who do not participate in a company-sponsored pension plan are eligible to make employee contributions and to receive a company contribution, a supplemental company contribution and company match contributions; and
- “SMWE Match-Eligible Participants”:
    - Non-agricultural employees of Ste. Michelle Wine Estates Ltd. and its affiliates (“SMWE”) who are not represented by a collective bargaining unit are eligible to make employee contributions and to receive company match contributions.

Employee Contributions

Each eligible employee may make before-tax, Roth after-tax, and traditional after-tax contributions to the Plan as soon as administratively feasible after a participant's date of hire.

No contribution is required from any participant under the Plan. However, employees hired or rehired after a date specific to their employee group are automatically enrolled in the Plan to make before-tax contributions of three percent (3%) of their eligible compensation beginning with the first payroll period after the completion of 90 days of service. Employees who are automatically enrolled can elect not to make contributions or to contribute a different percentage of their eligible compensation.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes a dollar limitation on the combined amount of before-tax and Roth after-tax contributions for a calendar year. A participant's combined before-tax and Roth after-tax contributions were limited to $18,500 and $18,000 in 2018 and 2017, respectively. Additionally, the Plan limited the participant's combined before-tax, Roth after-tax, and traditional after-tax contributions to thirty-five percent (35%) of eligible compensation, excluding catch-up contributions.

Participants who are age 50 or older by the end of a Plan year are eligible to make before-tax and/or Roth after-tax catch-up contributions up to the limit prescribed in the Code. For 2018 and 2017, the catch-up contribution was limited to $6,000.

The aggregate contributions actually made by participants may not cause the Plan to violate limitations on such contributions set forth in the Code.

Employer Contributions

Contributions by Participating Companies may consist of a company contribution, a supplemental company contribution and/or company match contributions as discussed below.

Contributions for highly compensated employees are subject to limitations imposed by the Code.

Company contribution – In general, the formula to compute the company contribution for participants, other than SMWE Match-Eligible Participants, who have completed twenty-four months of service (twelve months in the case of a Match-Eligible Participant) is as follows:

	Target adjusted diluted EPS growth rate *		
If Altria's actual adjusted diluted EPS growth rate is:	Under the target range	Within the target range	Above the target range
Then the company contribution (expressed as a percentage of each eligible participant's compensation) is:	8%	10%	12%

* Target adjusted diluted earnings per share ("EPS") growth rate, as defined in the Plan, is announced by Altria, generally in late January of each year.

The Plan provides, in the event of a Change of Control (as defined in the Plan document) of Altria, for a company contribution for the year in which the Change of Control occurs and for two years thereafter at least equal to the lesser of (a) the percentage of participants' compensation that was contributed to the Plan as a company contribution for the year prior to the year in which the Change of Control occurs, or (b) ten percent (10%) of the participants' applicable compensation.

Supplemental company contribution – A supplemental company contribution equal to five percent (5%) of each eligible participant's compensation is made on behalf of Match-Eligible Participants who are eligible for a company contribution, subject to the limitations below.

Limit on company and supplemental company contribution – The aggregate company and supplemental company contribution to the Plan cannot exceed three percent (3%) of Altria's Consolidated Earnings, as defined in the Plan document, allocated between the Plan and the Deferred Profit-Sharing Plan for Hourly Employees (the "Hourly Plan") proportionally based on the aggregate compensation of eligible participants in each plan.

Company match contributions – Match-Eligible Participants who make before-tax, Roth after-tax, and/or traditional after-tax contributions for a payroll period after completing 90 days of service will receive company match contributions, dollar for dollar, up to the first three percent (3%) of eligible compensation that is contributed for a payroll period.

SMWE Match-Eligible Participants who make before-tax, Roth after-tax, and/or traditional after-tax contributions for a payroll period after completing one year of service will receive company match contributions of fifty percent (50%) for each dollar, up to the first six percent (6%) of eligible compensation that is contributed for a payroll period.

Eligible Plan participants are generally eligible for company and supplemental company contributions, as well as a true-up matching contribution (except for SMWE Match-Eligible Participants) for a particular year if they are employed by one of the Participating Companies on the last business day of the calendar year (the Last Day Rule). This requirement to be employed on the last business day of the year is waived if participants leave employment due to retirement, death or disability. Company contributions are based on compensation through the participant's departure date. Prior to November 1, 2018, participants were considered to have retired if they stopped working for the Participating Companies after reaching age 55 with at least five years of service, or if they would have attained age 55 with at least five years of service by the end of their policy severance period. Effective November 1, 2018, the Plan was amended to provide that participants were considered to have retired if they stopped working for the Participating Companies after reaching age 50 with at least five years of service on the participant's departure date.

Participant Accounts

Each participant's Plan accounts are adjusted by any employee and employer contributions and the allocated share of the investment activities and administrative expenses for each investment option held.

Vesting

Participants are fully vested at all times in their Plan account balances.

Investment Options

Participants can direct all contributions among ten investment options and may change their investment elections at any time, subject to excessive trading policy restrictions and short-term redemption fees that may be applicable to certain of the investment options. If a participant has not provided an investment election, any contributions are invested in the Balanced Fund Investment Option, for which the underlying investment is a common/collective trust.

The Mondelēz Stock Investment Option, the PMI Stock Investment Option and the Kraft Heinz Stock Investment Option (individually and collectively, the "Non-Altria Stock Investment Option") are "closed" to further investments so that participants are not permitted to purchase shares of Mondelēz Stock, PMI Stock and Kraft Heinz Stock (individually and collectively, "Non-Altria Stock") in the Plan or to perform an exchange into a Non-Altria Stock Investment Option from any other investment option.

Employee Stock Ownership Plan

The employee stock ownership plan ("ESOP") portion of the Plan permits each participant who invests in the Altria Stock Investment Option to elect, no later than the business day immediately preceding an ex-dividend date with respect to a cash dividend payable on shares of Altria Stock, to have the dividend paid to them in cash and treated as a taxable distribution from the Plan, or have the dividend reinvested in additional shares of Altria Stock. Altria Stock dividends paid in cash directly to participants for the year ended December 31, 2018 were approximately $20 million. Altria Stock dividends payable in cash directly to participants at December 31, 2018 and 2017 were each approximately $5 million.

Any cash dividends paid on Non-Altria Stock held in a Non-Altria Stock Investment Option cannot be reinvested in Non-Altria Stock, but instead will be invested according to the participant's current investment elections. If the participant has not provided an investment election, cash dividends are invested in the Balanced Fund Investment Option. The participant does not have the right to elect to have dividends for Non-Altria Stock paid to them in cash.

Master Trusts

Certain assets of the Plan are co-invested with certain assets of the Hourly Plan and all assets of the Savings Plan for Puerto Rico Employees, in a commingled investment fund known as the Altria Client Services Deferred Profit-Sharing Master Trust (“Master Trust A”) for which State Street Bank and Trust Company (“State Street”) serves as the trustee. Certain assets of the Plan are co-invested with certain assets of the Hourly Plan in a commingled investment fund known as the Altria Client Services Deferred Profit-Sharing Trust for Altria Stock and Non-Altria Stock (“Master Trust B”) for which Fidelity Management Trust Company serves as the trustee.

Master Trust A and Master Trust B are hereinafter collectively referred to as the “Master Trusts”.

Withdrawals and Distributions

Participants may make in-service withdrawals in accordance with the provisions outlined in the Plan.

Participants may receive a distribution upon termination of employment, including retirement, in a lump sum, partial distributions, or installments.

Notes Receivable from Participants

Participants are permitted to borrow from their Plan accounts in accordance with the loan provisions and applicable interest rate as outlined in the Plan. Interest on participant loans is fixed for the term of the loan. The minimum loan amount is $1,000 and the maximum loan amount is the lesser of fifty percent (50%) of a participant’s account balance at the time of the loan request or $50,000, less the participant’s highest outstanding loan balance during the twelve-month period preceding the loan request. Loan repayment periods are up to twenty-five years depending on the type of loan.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are prepared using the accrual basis of accounting.

On January 1, 2017, Plan management retrospectively adopted Accounting Standards Update No. 2017-06, *Plan Accounting*: *Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962) and Health and Welfare Benefit Plans (Topic 965)*: *Employee Benefit Master Trust Reporting* that clarifies certain presentation and disclosure requirements for employee benefit plans that hold interests in master trusts. As a result of the adoption, the dollar amount of the Plan’s interest in each general type of investment is disclosed in addition to the master trust’s balances in each general type of investment in Note 3 - *Master Trust A Investments* (“Note 3”) and Note 4 - *Master Trust B Investments* (“Note 4”).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein in the financial statements and related disclosures. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan has diversified investment options in investment securities, including the Common Stock Investment Options. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk and overall market volatility. The financial markets, both domestically and internationally, can experience significant volatility on a daily basis that affects the valuation of investments. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur and that such changes could materially affect participant account balances and the amounts reported in the financial statements. Substantially all of the assets of Master Trust B are invested in Common Stocks, each of which could be subject to significant market fluctuations.

Interest in Master Trusts

The Plan’s interest in the Master Trusts and share of investment activities are based upon the total of the participants’ Plan accounts.

Valuation of the Master Trusts' Investments and Income Recognition

The Master Trusts' investment assets are reported at fair value except for fully benefit-responsive investment contracts, which are reported at contract value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. See Note 5 - *Fair Value Measurements* for a detailed discussion of fair value measurements. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount participants generally receive if they were to initiate permitted transactions under the terms of the Plan. See Note 3 for a detailed discussion of fully benefit-responsive investment contracts.

Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date; interest income is recorded as earned on an accrual basis. In accordance with the policy of stating investments at fair value, the net appreciation (depreciation) in the fair value of investments reflects both realized gains or losses and the change in the unrealized appreciation (depreciation) of investments held at year-end. Realized gains or losses from security transactions are reported on the average cost method.

Withdrawals and Distributions

Withdrawals and distributions are recorded when paid.

Expenses

Investment management fees, fund manager administrative fees, brokerage commissions (excluding those for the Common Stocks held in Master Trust B) and other investment related expenses are part of the total operating expenses of an investment option, and are charged against the net asset value of the specific investment option and reduce investment return.

Plan administrative fees such as trustee fees, participant recordkeeping, communications, investment advisory, audit and certain legal fees are paid by the Master Trusts and charged directly to participant accounts.

Individual participant transaction fees (including fees associated with the trading of Common Stocks) and short-term redemption fees for sales of an investment option within a specified period of time after purchase are paid by the Master Trusts and are charged solely to the accounts of the participant who initiated the transaction.

DEFERRED PROFIT-SHARING PLAN FOR SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

3. Master Trust A Investments

At December 31, 2018 and 2017, the net assets of Master Trust A were as follows (in thousands of dollars):

	2018		2017	
	Master Trust Balances	Plan's interest in Master Trust Balances	Master Trust Balances	Plan's interest in Master Trust Balances
Investments at fair value:				
Collective investment funds	$ 1,443,231	$ 1,289,012	$ 1,596,966	$ 1,425,177
Registered investment companies	325,983	298,308	321,590	298,006
Government securities	137,359	108,376	139,012	108,011
Other	29,325	23,432	4,136	2,948
Investments at fair value	1,935,898	1,719,128	2,061,704	1,834,142
Investments at contract value:				
Fully benefit-responsive investment contracts	734,324	544,360	746,581	541,766
Total Investments	2,670,222	2,263,488	2,808,285	2,375,908
Receivables:				
Interest and dividend income	440	—	412	—
Net assets	$ 2,670,662	$ 2,263,488	$ 2,808,697	$ 2,375,908

Master Trust A investment activities for the year ended December 31, 2018 were as follows (in thousands of dollars):

Interest and dividends	$ 48,444
Net depreciation in fair value of investments	(132,431)
Investment loss, net	$ (83,987)

As discussed in Note 2 - *Summary of Significant Accounting Policies - Valuation of Investments in Master Trusts*, the Plan's interest in Master Trust A and share of investment activities are based upon the total of the participants' Plan accounts. Certain transactions in process at year-end may result in differences between Master Trust A net assets and the total of the participants' Plan accounts. These differences were not material as of December 31, 2018 and 2017.

Investment contracts held in the Interest Income Fund Investment Option (a stable value investment option) may consist of traditional and/or synthetic guaranteed investment contracts ("GIC" or "GICs") as determined by the investment manager for the Interest Income Fund. Master Trust A had no traditional GICs as of December 31, 2018 and 2017.

A synthetic GIC provides for the preservation of principal at a specified rate of interest over a specified period of time through fully benefit-responsive wrapper contracts issued by a third party, which are backed by underlying assets owned by Master Trust A. The wrapper contract provider guarantees, except in the case of the occurrence of certain events discussed below, that participant withdrawals are made at contract or book value. The aggregate contract value of the synthetic GICs was approximately $734 million and $747 million at December 31, 2018 and 2017, respectively.

There are certain events not initiated by Plan participants that could limit the ability of the Plan to transact at contract value with the issuer. Specific coverage provided by each synthetic GIC may be different for each issuer, and can be found in the individual synthetic GIC contracts held by the Plan. Examples of such events include: the Plan's failure to qualify under the Code; full or partial termination of the Plan; involuntary termination of employment as a result of a corporate merger, divestiture, spin-off, or other significant business restructuring, which may include early retirement incentive programs or bankruptcy; changes to the administration of the Plan which decrease employee or employer contributions such as the establishment of a competing plan by the Plan sponsor, the introduction of a competing investment option, or other plan amendment that has not been approved by the contract issuers; dissemination of a participant communication that is designed to induce participants to transfer assets from a stable value option; or events resulting in a material and adverse financial impact on the contract issuer, including changes in the tax code, laws or regulations.

The Fiduciaries do not believe that the occurrence of any such event that would limit the Plan's ability to transact at contract value with participants is probable.

Contract issuers are not allowed to terminate any of the above synthetic GICs and settle at an amount different from contract value unless there is a breach of the contract that is not cured within the applicable period. Actions that will result in a breach (after any relevant cure period) include: material misrepresentation; failure to pay synthetic GIC fees or any other payment due under the contract; or failure to adhere to investment guidelines.

4. Master Trust B Investments

At December 31, 2018 and 2017, the net assets of Master Trust B were as follows (in thousands of dollars):

	2018		2017	
	Master Trust Balances	Plan's interest in Master Trust Balances	Master Trust Balances	Plan's interest in Master Trust Balances
Investments at fair value:				
Common stocks:				
Altria Stock	$ 1,467,615	$ 1,010,750	$ 2,227,992	$ 1,525,081
PMI Stock	287,488	226,455	536,595	419,879
Mondelēz Stock	55,906	47,064	68,962	57,657
Kraft Heinz Stock	19,949	16,816	42,388	35,450
Cash and cash equivalents	53	31	38	21
Total investments at fair value	1,831,011	1,301,116	2,875,975	2,038,088
Receivable - dividend income	19,462	15,263	17,761	13,936
Net assets	$ 1,850,473	$ 1,316,379	$ 2,893,736	$ 2,052,024

Master Trust B investment activities for the year ended December 31, 2018 were as follows (in thousands of dollars):

Dividends on common stocks	$ 114,857
Net depreciation in common stocks	(877,500)
Investment loss, net	$ (762,643)

5. Fair Value Measurements

Financial Accounting Standards Board authoritative guidance provides a framework for measuring fair value. This framework provides a fair value hierarchy that gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs used to measure fair value are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for investments measured at fair value.

There were no Level 3 holdings or transactions in the Master Trusts' investment assets at December 31, 2018 and 2017.

Registered Investment Companies

Investments in registered investment companies are valued at the closing net asset value ("NAV") publicly reported on the last business day of the year.

Government Securities

Government securities consist of investments in U.S. Treasury securities. Government securities are valued at a price that is based on a compilation of primarily observable market information, such as broker quotes. Matrix pricing, yield curves and indices are used when broker quotes are not available.

Common Stocks

Common stocks are valued based on the price of the security as listed on an open active exchange on last trade date.

Cash & Cash Equivalents

Cash and cash equivalents are valued at cost that approximates fair value.

The methods described above are not necessarily indicative of net realizable value or reflective of future fair values, nor is categorization of a security in any particular valuation level necessarily an indication of the risk associated with an investment in that security. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Collective Investment Funds

Collective investment funds consist of pools of investments used by institutional investors to obtain exposure to equity and fixed income markets. Master Trust A collective investment funds include equity index funds, a U.S. diversified bond fund and a balanced fund, consisting of a mix of equities and fixed income securities, that are intended to mirror indices such as the Standard & Poor's 500 Index and Morgan Stanley Capital International Europe, Australasia, and the Far East Index. They are valued on the basis of the relative interest of each participating investor in the fair value of the underlying assets of each of the respective collective investment funds. The underlying assets are valued based on the NAV, which is provided by the investment account manager as a practical expedient to estimate fair value. These investments are not classified by level but are disclosed to permit reconciliation to the fair value of Master Trust A investment assets.

The fair values of the Master Trusts' investment assets by asset category as of December 31, 2018 were as follows (in thousands of dollars):

Master Trust A	Level 1	Level 2	Totals
Registered investment companies	$ 325,983	$ —	$ 325,983
Government securities	—	137,359	137,359
Other	—	29,325	29,325
	$ 325,983	$ 166,684	492,667
Investments measured at NAV as a practical expedient for fair value:			
Collective investment funds			1,443,231
Total Master Trust A investments at fair value			$ 1,935,898
Master Trust B			
Common stocks	$ 1,830,958	$ —	$ 1,830,958
Cash and cash equivalents	53	—	53
Total Master Trust B investments at fair value	$ 1,831,011	$ —	$ 1,831,011

The fair values of the Master Trusts' investment assets by asset category as of December 31, 2017 were as follows (in thousands of dollars):

Master Trust A	Level 1	Level 2	Totals
Registered investment companies	$ 321,590	$ —	$ 321,590
Government securities	—	139,012	139,012
Other	—	4,136	4,136
	$ 321,590	$ 143,148	464,738
Investments measured at NAV as a practical expedient for fair value:			
Collective investment funds			1,596,966
Total Master Trust A investments at fair value			$ 2,061,704
Master Trust B			
Common stocks	$ 2,875,937	$ —	$ 2,875,937
Cash and cash equivalents	38	—	38
Total Master Trust B investments at fair value	$ 2,875,975	$ —	$ 2,875,975

The following table summarizes additional disclosures related to Master Trust A investments measured at NAV as a practical expedient to estimate fair value as of December 31, 2018 and 2017 (in thousands of dollars):

Collective Investment Funds	Fair Value 2018	Fair Value 2017	Redemption Frequency	Redemption Notice Period
U.S. equity index	$ 1,031,772	$ 1,154,891	Daily	None
International equity index	$ 185,689	$ 211,859	Daily	None
U.S. fixed income	$ 225,770	$ 230,216	Daily	None

6. Related Party and Party-In-Interest Transactions

Master Trust B includes participant investments in Altria Stock. During the years ended 2018 and 2017, Master Trust B participant purchases of Altria Stock were approximately $388 million and $474 million, respectively, and participant sales of Altria Stock were approximately $474 million and $550 million, respectively. Net depreciation activity from the investment in Altria Stock, partially offset by dividends received, caused Master Trust B to decrease by approximately $583 million for the year ended December 31, 2018. Master Trust A investments include collective investment funds managed by SSgA, an affiliate of State Street. State Street is a trustee as defined by the Plan. The investment balance in these collective investment funds was approximately $622 million and $682 million as of December 31, 2018 and 2017, respectively. These investments and transactions in these investments do not constitute prohibited transactions under ERISA.

7. Plan Termination

The Altria Board of Directors (the “Board”) has the right, subject to the applicable provisions of ERISA and the Code, to amend (retroactively or otherwise) the Plan, suspend making the company contribution, supplemental company contribution and/or company match contributions to the Plan or to terminate the Plan. The Board has delegated to the Altria Corporate Employee Benefit Committee and the Administrator the right to amend the Plan, provided that the annual cost of such amendment does not exceed specified dollar limits. Each other Participating Company has the right to terminate its participation in the Plan. However, no such action may deprive any participant or beneficiary under the Plan of any vested right.

8. Tax Status

By letter dated May 11, 2017, the Internal Revenue Service (“IRS”) has determined that the Plan constitutes a qualified plan under Section 401(a) of the Code and the related Master Trusts are, therefore, exempt from federal income taxes under the provisions of Section 501(a) of the Code. The Plan has been amended since the receipt of the determination letter; however, the Administrator believes the Plan continues to be designed and operated in accordance with the applicable provisions of the Code.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2014.

9. Reconciliation of Financial Statements to Form 5500

The following are reconciliations of the Plan’s interest in Master Trust A and the net assets available for benefits per the financial statements to the Form 5500 for the years ended December 31, 2018 and 2017 (in thousands of dollars):

DEFERRED PROFIT-SHARING PLAN FOR SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

	2018	2017
Plan's interest in Master Trust A at fair value	$ 1,719,128	$ 1,834,142
Plan's interest in Master Trust A for fully benefit-responsive investment contracts at contract value	544,360	541,766
	2,263,488	2,375,908
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	(4,435)	3,753
Plan's interest in Master Trust A at fair value per the Form 5500	$ 2,259,053	$ 2,379,661

	2018	2017
Net assets available for benefits per the financial statements	$ 3,664,393	$ 4,510,717
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	(4,435)	3,753
Net assets available for benefits per the Form 5500	$ 3,659,958	$ 4,514,470

The following is a reconciliation of the change in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2018 (in thousands of dollars):

	2018
Change in net assets available for benefits per the financial statements	$ (846,324)
Adjustment for the net change in contract value of fully benefit-responsive investment contracts	(8,188)
Change in net assets available for benefits per the Form 5500	$ (854,512)

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Deferred Profit-Sharing Plan for Salaried Employees
Schedule H - Line 4a - Schedule of Delinquent Participant Contributions
December 31, 2018

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			
Check Here if Late Participant Loan Repayments Are Included ☐	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under VFCP and PTE 2002-51
$65		$65		

Deferred Profit-Sharing Plan for Salaried Employees
Schedule H - Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2018

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost		(e) Current value
*	Altria Client Services Deferred Profit-Sharing Master Trust	Master Trust	n/a	$	2,259,052,873
*	Altria Client Services Deferred Profit-Sharing Trust for Altria Stock and Non-Altria Stock	Master Trust	n/a	$	1,316,379,637
*	Notes receivable from participants	Interest rates range from 3.25% to 9.50% Maturity dates through 2043	n/a	$	30,192,539

* indicates party-in-interest

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Vice President, Total Rewards and HR Services of Altria Client Services LLC, having administrative responsibility of the Plan, has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

DEFERRED PROFIT-SHARING PLAN FOR SALARIED EMPLOYEES

By /s/ SCOTT D. SCOFIELD

Scott D. Scofield, Vice President,
Total Rewards and HR Services,
Altria Client Services LLC

Date: June 13, 2019

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Section 2: EX-23 (CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM)

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 33-10218, 333-139523, 333-148070, 333-156188, 333-170185 and 333-209701) of Altria Group, Inc. of our report dated June 13, 2019 relating to the financial statements and supplemental schedule of the Deferred Profit-Sharing Plan for Salaried Employees, which appears in this Form 11-K.

/s/ PRICEWATERHOUSECOOPERS LLP

Richmond, Virginia
June 13, 2019

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