



<b>Q1 2016 Earnings – Quarterly Metrics</b>		
<b>Smokeable</b>	<b><u>Q1 2016</u></b>	<b><u>Δ vs. Q1 2015</u></b>
<i>Marlboro</i> Price Gap (vs. Lowest Effective)	30%	
<i>Marlboro</i> Net Pack Price	\$ 6.21	\$0.15
Lowest Effective Price	\$ 4.78	\$0.15
Discount Segment Retail Share	24.2%	(0.6pp)
Estimated Weighted Average State Excise Tax per pack	\$1.55*	\$0.06
2016 PM USA Wholesale Inventory Estimates:	(in billion units)	
End of Q1 2016	2.7	
End of Q4 2015	2.4	
End of Q1 2015	2.6	
End of Q4 2014	2.4	
2016 Cigarette Industry Wholesale Inventory (PM USA Estimates):	(in billion units)	
End of Q1 2016	5.7	
End of Q4 2015	5.4	
End of Q1 2015	5.2	
End of Q4 2014	5.1	

\* Effective 4.1.2016

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

<b>Smokeless</b>	<b><u>Q1 2016</u></b>	<b><u>Δ vs. Q1 2015</u></b>
<i>Copenhagen</i> Price Gap (vs Leading Discount Brand)	27%	
<i>Copenhagen</i> Retail Price	\$4.33	\$0.12
Leading Discount Brand	\$3.40	\$0.15

<b>Other</b>	<b><u>Q1 2016</u></b>
Capital Expenditures	\$26 million
Ongoing Depreciation and Amortization	\$49 million