

**Reconciliations of the non-GAAP financial measures presented in the remarks by Marty Barrington, Altria Group, Inc.'s (Altria) Chairman, Chief Executive Officer and President, at Altria's 2018 Annual Meeting of Shareholders and the 2017 Investor Highlights factsheet.**

**Non-GAAP Financial Measures**

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, OCI margins and 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/SABMiller 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's full-year adjusted diluted EPS guidance excludes the impact of certain income and expense items, including those items noted above. Altria's management cannot estimate on a forward-looking basis the impact of these items on Altria's reported diluted EPS because these items, which could be significant, may be infrequent, are difficult to predict and may be highly variable. As a result, Altria does not provide a corresponding GAAP measure for, or reconciliation to, its adjusted diluted EPS guidance. Notwithstanding the foregoing, in addition to the 2018 first-quarter special items shown in the table on page 5, Altria expects to record \$0.07 per share of tax expense in 2018 resulting from the Tax Cuts and Jobs Act. This tax expense is related to a tax basis adjustment to Altria's investment in AB InBev. These special items are excluded from Altria's full-year adjusted diluted EPS guidance for 2018.

**Altria Group, Inc. and Consolidated Subsidiaries, Selected Financial Data for Smokeable Products**

(\$ in millions)

	Full Year Ended December 31,	
	2017	2016
<b>Net revenues</b>	\$ 22,636	\$ 22,851
Excise taxes	(5,927)	(6,247)
<b>Revenues net of excise taxes</b>	<u>\$ 16,709</u>	<u>\$ 16,604</u>
<b>Reported OCI</b>	\$ 8,408	\$ 7,768
NPM Adjustment Items	(5)	12
Asset impairment, exit, implementation and acquisition-related costs	29	134
Tobacco and health litigation items	72	88
Settlement charge for lump sum pension payments	57	—
<b>Adjusted OCI</b>	<u>\$ 8,561</u>	<u>\$ 8,002</u>
<b>Adjusted OCI change (2017 vs. 2016)</b>	7.0%	
<b>Adjusted OCI margins<sup>1</sup></b>	51.2%	48.2%
<b>Adjusted OCI margin change (2017 vs. 2016)</b>	3.0pp	

<sup>1</sup> 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 Smokeable Products**

(\$ in millions)

	Full Year Ended December 31,		Compounded Annual Growth Rate
	2017	2012	
<b>Net revenues</b>	\$ 22,636	\$ 22,216	
Excise taxes	(5,927)	(6,984)	
<b>Revenues net of excise taxes</b>	<u>\$ 16,709</u>	<u>\$ 15,232</u>	
<b>Reported OCI</b>	\$ 8,408	\$ 6,239	
NPM Adjustment Items	(5)	—	
Asset impairment, exit, implementation and acquisition-related costs	29	28	
Tobacco and health litigation items	72	4	
Settlement charge for lump sum pension payments	57	—	
<b>Adjusted OCI</b>	<u>\$ 8,561</u>	<u>\$ 6,271</u>	6.4%
<b>Adjusted OCI margins<sup>1</sup></b>	51.2%	41.2%	
<b>Adjusted OCI margin change (2017 vs. 2012)</b>	10.0pp		

<sup>1</sup> Adjusted OCI margins are calculated as adjusted OCI divided by revenues net of excise taxes.

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**Altria Group, Inc. and Consolidated Subsidiaries, Selected Financial Data for Smokeless Products**

(\$ in millions)

	Full Year Ended December 31,		Compounded Annual Growth Rate
	2017	2012	
<b>Net revenues</b>	<b>\$ 2,155</b>	<b>\$ 1,691</b>	
Excise taxes	(132)	(113)	
<b>Revenues net of excise taxes</b>	<b>\$ 2,023</b>	<b>\$ 1,578</b>	
<b>Reported OCI</b>	<b>\$ 1,300</b>	<b>\$ 931</b>	
Asset impairment, exit, and implementation costs	56	28	
Settlement charge for lump sum pension payments	16	—	
<b>Adjusted OCI</b>	<b>\$ 1,372</b>	<b>\$ 959</b>	<b>7.4%</b>
<b>Adjusted OCI margins<sup>1</sup></b>	<b>67.8%</b>	<b>60.8%</b>	
<b>Adjusted OCI margin change (2017 vs. 2012)</b>	<b>7.0pp</b>		

<sup>1</sup> Adjusted OCI margins are calculated as adjusted OCI divided by revenues net of excise taxes.

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**Altria Group, Inc. and Consolidated Subsidiaries, Selected Financial Data for Wine**

(\$ in millions)

	Full Year Ended December 31,	
	2017	2012
<b>Reported and Adjusted OCI</b>	<b>\$ 147</b>	<b>\$ 104</b>
<b>Compounded Annual Growth Rate (2017 vs. 2012)</b>	<b>7.2%</b>	

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

(\$ in millions, except per share data)

	<b>Earnings before Income Taxes</b>	<b>(Benefit) Provision for Income Taxes</b>	<b>Net Earnings</b>	<b>Net Earnings Attributable to Altria Group, Inc.</b>	<b>Diluted EPS</b>
<b>For the year ended December 31, 2017</b>					
<b>2017 Reported</b>	<b>\$ 9,828</b>	<b>\$ (399)</b>	<b>\$ 10,227</b>	<b>\$ 10,222</b>	<b>\$ 5.31</b>
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)
<b>2017 Adjusted for Special Items</b>	<b>\$ 9,797</b>	<b>\$ 3,272</b>	<b>\$ 6,525</b>	<b>\$ 6,520</b>	<b>\$ 3.39</b>
<b>For the year ended December 31, 2016</b>					
<b>2016 Reported</b>	<b>\$ 21,852</b>	<b>\$ 7,608</b>	<b>\$ 14,244</b>	<b>\$ 14,239</b>	<b>\$ 7.28</b>
NPM Adjustment Items	18	7	11	11	0.01
Tobacco and health litigation items	105	34	71	71	0.04
SABMiller special items	(89)	(32)	(57)	(57)	(0.03)
Loss on early extinguishment of debt	823	282	541	541	0.28
Asset impairment, exit, implementation and acquisition-related costs	206	71	135	135	0.07
Patent litigation settlement	21	8	13	13	0.01
Gain on AB InBev/SABMiller business combination	(13,865)	(4,864)	(9,001)	(9,001)	(4.61)
Tax items	—	30	(30)	(30)	(0.02)
<b>2016 Adjusted for Special Items</b>	<b>\$ 9,071</b>	<b>\$ 3,144</b>	<b>\$ 5,927</b>	<b>\$ 5,922</b>	<b>\$ 3.03</b>
<b>For the year ended December 31, 2012</b>					
<b>2012 Reported</b>	<b>\$ 6,477</b>	<b>\$ 2,294</b>	<b>\$ 4,183</b>	<b>\$ 4,180</b>	<b>\$ 2.06</b>
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)
<b>2012 Adjusted for Special Items</b>	<b>\$ 7,119</b>	<b>\$ 2,633</b>	<b>\$ 4,486</b>	<b>\$ 4,483</b>	<b>\$ 2.21</b>

**Adjusted diluted EPS Growth 2017-2016**
**11.9%**
**Adjusted diluted EPS CAGR 2017-2012**
**8.9%**

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

(\$ in millions, except per share data)

	Earnings before Income Taxes	Provision for Income Taxes	Net Earnings	Net Earnings Attributable to Altria Group, Inc.	Diluted EPS
<b>For the quarter ended March 31, 2018</b>					
<b>2018 Reported</b>	<b>\$ 2,466</b>	<b>\$ 571</b>	<b>\$ 1,895</b>	<b>\$ 1,894</b>	<b>\$ 1.00</b>
NPM Adjustment Items	(68)	(17)	(51)	(51)	(0.03)
AB InBev special items	(117)	(25)	(92)	(92)	(0.04)
Asset impairment, exit and implementation costs	3	1	2	2	—
Tobacco and health litigation items	28	8	20	20	0.01
Loss on AB InBev/SABMiller business combination	33	7	26	26	0.01
Tax items	—	(1)	1	1	—
<b>2018 Adjusted for Special Items</b>	<b>\$ 2,345</b>	<b>\$ 544</b>	<b>\$ 1,801</b>	<b>\$ 1,800</b>	<b>\$ 0.95</b>
<b>For the quarter ended March 31, 2017</b>					
<b>2017 Reported</b>	<b>\$ 2,091</b>	<b>\$ 689</b>	<b>\$ 1,402</b>	<b>\$ 1,401</b>	<b>\$ 0.72</b>
NPM Adjustment Items	(1)	—	(1)	(1)	—
Tobacco and health litigation items	1	—	1	1	—
AB InBev special items	73	25	48	48	0.03
Asset impairment, exit, implementation and acquisition-related costs	30	11	19	19	0.01
Tax items	—	58	(58)	(58)	(0.03)
<b>2017 Adjusted for Special Items</b>	<b>\$ 2,194</b>	<b>\$ 783</b>	<b>\$ 1,411</b>	<b>\$ 1,410</b>	<b>\$ 0.73</b>

Adjusted diluted EPS growth (Q1 2018-Q1 2017)

30.1%

Note to Reconciliations: Reported and adjusted OCI and adjusted OCI margins reflect amounts previously presented and do not reflect the reclassification of the non-service cost components of net periodic pension and postretirement benefit costs resulting from Altria's January 1, 2018 adoption of Accounting Standards Update No. 2017-07, *Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*.