



Q4 2017 Earnings – Quarterly Metrics		
Smokeable	Q4 2017	Δ vs. Q4 2016
<i>Marlboro</i> Price Gap (vs. Lowest Effective)	29%	
<i>Marlboro</i> Net Pack Price	\$6.72	\$0.42
Lowest Effective Price	\$5.20	\$0.31
<u>Discount Segment Retail Share</u>	<u>23.9%</u>	+0.1 pp
Major Manufacturer Branded Discount	16.3%	(0.5 pp)
Deep Discount	7.6%	+0.6 pp
Estimated Weighted Average State Excise Tax per pack	\$1.75	\$0.18
2017 PM USA Wholesale Inventory Estimates:	(in billion units)	
End of Q4 2017	2.6	
End of Q3 2017	4.0	
End of Q4 2016	2.4	
End of Q3 2016	3.3	
2017 Cigarette Industry Wholesale Inventory (PM USA Estimates):	(in billion units)	
End of Q4 2017	5.9	
End of Q3 2017	8.4	
End of Q4 2016	5.9	
End of Q3 2016	6.3	

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

Smokeless	Q4 2017	Δ vs. Q4 2016
<i>Copenhagen</i> Price Gap (vs Leading Discount Brand)	26%	
<i>Copenhagen</i> Retail Price	\$4.80	\$0.39
Leading Discount Brand	\$3.83	\$0.34

Note: All Smokeable and Smokeless prices reflect IRI restatement.

Other	Q4 2017	FY 2017
Capital Expenditures	\$48 million	\$199 million
Ongoing Depreciation and Amortization	\$54 million	\$209 million

Recorded Net Tax Benefits Related to the Tax Reform Act (in millions)	Q4 2017
Re-measurement of net deferred tax liabilities	\$3,017
Tax basis in foreign investments*	763
Deemed repatriation tax	(413)
Total Recorded Net Tax Benefits	\$3,367

*Associated with the deemed repatriation tax