

Item 8. Financial Statements and Supplementary Data.

Consolidated Balance Sheets

(in millions of dollars, except share data)

at December 31,	2017	2016
Assets		
Cash and cash equivalents	\$ 8,447	\$ 4,239
Receivables (less allowances of \$30 in 2017 and \$42 in 2016)	3,738	3,499
Inventories:		
Leaf tobacco	2,606	2,498
Other raw materials	1,563	1,569
Finished product	4,637	4,950
	<u>8,806</u>	<u>9,017</u>
Other current assets	603	853
Total current assets	<u>21,594</u>	<u>17,608</u>
Property, plant and equipment, at cost:		
Land and land improvements	639	590
Buildings and building equipment	3,989	3,474
Machinery and equipment	8,976	7,366
Construction in progress	962	930
	<u>14,566</u>	<u>12,360</u>
Less: accumulated depreciation	7,295	6,296
	<u>7,271</u>	<u>6,064</u>
Goodwill (Note 3)	7,666	7,324
Other intangible assets, net (Note 3)	2,432	2,470
Investments in unconsolidated subsidiaries (Note 4)	1,074	1,011
Deferred income taxes	1,007	859
Other assets	1,924	1,515
Total Assets	<u><u>\$ 42,968</u></u>	<u><u>\$ 36,851</u></u>

See notes to consolidated financial statements.

at December 31,	2017	2016
Liabilities		
Short-term borrowings (Note 7)	\$ 499	\$ 643
Current portion of long-term debt (Note 7)	2,506	2,573
Accounts payable	2,242	1,666
Accrued liabilities:		
Marketing and selling	708	575
Taxes, except income taxes	5,324	6,204
Employment costs	856	800
Dividends payable	1,669	1,621
Other	1,346	1,553
Income taxes (Note 11)	812	832
Total current liabilities	15,962	16,467
Long-term debt (Note 7)	31,334	25,851
Deferred income taxes	799	1,897
Employment costs	2,271	2,800
Income taxes and other liabilities (Note 11)	2,832	736
Total liabilities	53,198	47,751
Contingencies (Note 18)		
Stockholders' (Deficit) Equity		
Common stock, no par value (2,109,316,331 shares issued in 2017 and 2016)	—	—
Additional paid-in capital	1,972	1,964
Earnings reinvested in the business	29,859	30,397
Accumulated other comprehensive losses	(8,535)	(9,559)
	23,296	22,802
Less: cost of repurchased stock (556,098,569 and 557,930,784 shares in 2017 and 2016, respectively)	35,382	35,490
Total PMI stockholders' deficit	(12,086)	(12,688)
Noncontrolling interests	1,856	1,788
Total stockholders' deficit	(10,230)	(10,900)
Total Liabilities and Stockholders' (Deficit) Equity	\$ 42,968	\$ 36,851

See notes to consolidated financial statements.