

Reconciliation of Non-GAAP Measures

Adjustments for the Impact of Currency and Acquisitions

For the Years Ended December 31,

(in millions) (Unaudited)									% Change in Net Revenues excluding Excise Taxes				
2017							2016						
Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Less Currency	Net Revenues excluding Excise Taxes & Currency	Less Acquisitions	Net Revenues excluding Excise Taxes, Currency & Acquisitions		Net Revenues	Less Excise Taxes	Net Revenues excluding Excise Taxes	Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 27,580	\$19,262	\$ 8,318	\$ 45	\$ 8,273	\$ —	\$ 8,273	European Union	\$ 27,129	\$18,967	\$ 8,162	1.9 %	1.4 %	1.4 %
18,045	11,346	6,699	(291)	6,990	—	6,990	EEMA	18,286	11,286	7,000	(4.3)%	(0.1)%	(0.1)%
22,635	11,845	10,790	(137)	10,927	—	10,927	Asia	20,531	11,850	8,681	24.3 %	25.9 %	25.9 %
9,838	6,897	2,941	(54)	2,995	—	2,995	Latin America & Canada	9,007	6,165	2,842	3.5 %	5.4 %	5.4 %
\$ 78,098	\$49,350	\$ 28,748	\$ (437)	\$ 29,185	\$ —	\$ 29,185	PMI Total	\$ 74,953	\$48,268	\$ 26,685	7.7 %	9.4 %	9.4 %

2017							2016			% Change in Operating Companies Income		
Operating Companies Income		Less Currency	Operating Companies Income excluding Currency	Less Acquisitions	Operating Companies Income excluding Currency & Acquisitions		Operating Companies Income	Total	Excluding Currency	Excluding Currency & Acquisitions		
\$ 3,775		\$ (43)	\$ 3,818	\$ —	\$ 3,818	European Union	\$ 3,994	(5.5)%	(4.4)%	(4.4)%		
2,888		81	2,807	—	2,807	EEMA	3,016	(4.2)%	(6.9)%	(6.9)%		
4,149		(123)	4,272	—	4,272	Asia	3,196	29.8 %	33.7 %	33.7 %		
1,002		(70)	1,072	—	1,072	Latin America & Canada	938	6.8 %	14.3 %	14.3 %		
\$ 11,814		\$ (155)	\$ 11,969	\$ —	\$ 11,969	PMI Total	\$ 11,144	6.0 %	7.4 %	7.4 %		

Reconciliation of Operating Companies Income to Adjusted Operating Companies Income, excluding Currency and Acquisitions

For the Years Ended December 31,

(in millions) (Unaudited)									% Change in Adjusted Operating Companies Income				
2017							2016						
Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Less Currency	Adjusted Operating Companies Income excluding Currency	Less Acquisitions	Adjusted Operating Companies Income excluding Currency & Acquisitions	Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions	
\$ 3,775	\$ —	\$ 3,775	\$ (43)	\$ 3,818	\$ —	\$ 3,818	European Union	\$ 3,994	\$ —	\$ 3,994	(5.5)%	(4.4)%	(4.4)%
2,888	—	2,888	81	2,807	—	2,807	EEMA	3,016	—	3,016	(4.2)%	(6.9)%	(6.9)%
4,149	—	4,149	(123)	4,272	—	4,272	Asia	3,196	—	3,196	29.8 %	33.7 %	33.7 %
1,002	—	1,002	(70)	1,072	—	1,072	Latin America & Canada	938	—	938	6.8 %	14.3 %	14.3 %
\$ 11,814	\$ —	\$ 11,814	\$ (155)	\$ 11,969	\$ —	\$ 11,969	PMI Total	\$ 11,144	\$ —	\$ 11,144	6.0 %	7.4 %	7.4 %

Adjusted Operating Companies Income Margin, excluding Currency and Acquisitions

For the Years Ended December 31,

(in millions)

(Unaudited)		2017						2016		% Points Change		
Adjusted Operating Companies Income excluding Currency	Net Revenues excluding Excise Taxes & Currency (1)	Adjusted Operating Companies Income Margin excluding Currency	Adjusted Operating Companies Income excluding Currency & Acquisitions	Net Revenues excluding Excise Taxes, Currency & Acquisitions (1)	Adjusted Operating Companies Income Margin excluding Currency & Acquisitions			Adjusted Operating Companies Income	Net Revenues excluding Excise Taxes(1)	Adjusted Operating Companies Income Margin (2)	Adjusted Operating Companies Income Margin excluding Currency	Adjusted Operating Companies Income Margin excluding Currency & Acquisitions
\$ 3,818	\$ 8,273	46.2%	\$ 3,818	\$ 8,273	46.2%	European Union		\$ 3,994	\$ 8,162	48.9%	(2.7)	(2.7)
2,807	6,990	40.2%	2,807	6,990	40.2%	EEMA		3,016	7,000	43.1%	(2.9)	(2.9)
4,272	10,927	39.1%	4,272	10,927	39.1%	Asia		3,196	8,681	36.8%	2.3	2.3
1,072	2,995	35.8%	1,072	2,995	35.8%	Latin America & Canada		938	2,842	33.0%	2.8	2.8
\$ 11,969	\$ 29,185	41.0%	\$ 11,969	\$ 29,185	41.0%	PMI Total		\$ 11,144	\$ 26,685	41.8%	(0.8)	(0.8)

(1) For the calculation of net revenues excluding excise taxes, currency and acquisitions, refer to the "Adjustments for the Impact of Currency and Acquisitions" reconciliation in this section.

(2) 2017 Adjusted Operating Companies Income Margin for PMI Total was 41.1%, calculated as 2017 Adjusted Operating Companies Income of \$11,814 divided by 2017 Net Revenues, excluding Excise Taxes of 28,748. For the calculation of Net Revenues, excluding Excise Taxes and Adjusted Operating Companies Income, refer to the tables above.

Reconciliation of Reported Diluted EPS to Reported Diluted EPS, excluding Currency

For the Years Ended December 31, (Unaudited)	2017		2016		% Change
Reported Diluted EPS	\$	3.88	\$	4.48	(13.4)%
Less:					
Currency impact		(0.21)			
Reported Diluted EPS, excluding Currency	\$	4.09	\$	4.48	(8.7)%

Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS and Adjusted Diluted EPS, excluding Currency

For the Years Ended December 31, (Unaudited)	2017		2016		% Change
Reported Diluted EPS	\$	3.88	\$	4.48	(13.4)%
Adjustments:					
Asset impairment and exit costs		—		—	
Tax items		0.84		—	
Adjusted Diluted EPS	\$	4.72	\$	4.48	5.4 %
Less:					
Currency impact		(0.21)			
Adjusted Diluted EPS, excluding Currency	\$	4.93	\$	4.48	10.0 %

Reconciliation of Operating Income to Operating Companies Income

For the Years Ended December 31, (in millions) (Unaudited)	2017	2016	% Change
Operating Income	\$ 11,503	\$ 10,815	6.4%
Excluding:			
- Amortization of intangibles	88	74	
- General corporate expenses (included in marketing, administration and research costs)	164	161	
Plus: Equity (income)/loss in unconsolidated subsidiaries, net	(59)	(94)	
Operating Companies Income	\$ 11,814	\$ 11,144	6.0%

Reconciliation of Operating Cash Flow to Operating Cash Flow, excluding Currency

For the Years Ended December 31, (in millions) (Unaudited)	2017	2016	% Change
Net cash provided by operating activities (1)	\$ 8,912	\$ 8,077	10.3%
Less:			
Currency impact	392		
Net cash provided by operating activities, excluding currency	\$ 8,520	\$ 8,077	5.5%

(1) Operating cash flow.