

Item 8. Financial Statements and Supplementary Data.

Consolidated Balance Sheets

(in millions of dollars, except share data)

at December 31,	2016	2015
Assets		
Cash and cash equivalents	\$ 4,239	\$ 3,417
Receivables (less allowances of \$42 in 2016 and \$58 in 2015)	3,499	2,778
Inventories:		
Leaf tobacco	2,498	2,640
Other raw materials	1,569	1,613
Finished product	4,950	4,220
	<u>9,017</u>	<u>8,473</u>
Deferred income taxes	—	488
Other current assets	853	648
Total current assets	<u>17,608</u>	<u>15,804</u>
Property, plant and equipment, at cost:		
Land and land improvements	590	583
Buildings and building equipment	3,474	3,361
Machinery and equipment	7,366	6,978
Construction in progress	930	845
	<u>12,360</u>	<u>11,767</u>
Less: accumulated depreciation	6,296	6,046
	<u>6,064</u>	<u>5,721</u>
Goodwill (Note 3)	7,324	7,415
Other intangible assets, net (Note 3)	2,470	2,623
Investments in unconsolidated subsidiaries (Note 4)	1,011	890
Deferred income taxes	859	360
Other assets	1,515	1,143
Total Assets	<u><u>\$ 36,851</u></u>	<u><u>\$ 33,956</u></u>

See notes to consolidated financial statements.

at December 31,	2016	2015
Liabilities		
Short-term borrowings (Note 7)	\$ 643	\$ 825
Current portion of long-term debt (Note 7)	2,573	2,405
Accounts payable	1,666	1,289
Accrued liabilities:		
Marketing and selling	575	640
Taxes, except income taxes	6,204	5,121
Employment costs	800	903
Dividends payable	1,621	1,589
Other	1,553	1,438
Income taxes	832	970
Deferred income taxes	—	206
Total current liabilities	<u>16,467</u>	<u>15,386</u>
Long-term debt (Note 7)	25,851	25,250
Deferred income taxes	1,897	1,543
Employment costs	2,800	2,566
Other liabilities	736	687
Total liabilities	<u>47,751</u>	<u>45,432</u>
Contingencies (Note 19)		
Stockholders' (Deficit) Equity		
Common stock, no par value (2,109,316,331 shares issued in 2016 and 2015)	—	—
Additional paid-in capital	1,964	1,929
Earnings reinvested in the business	30,397	29,842
Accumulated other comprehensive losses	(9,559)	(9,402)
	<u>22,802</u>	<u>22,369</u>
Less: cost of repurchased stock (557,930,784 and 559,972,262 shares in 2016 and 2015, respectively)	35,490	35,613
Total PMI stockholders' deficit	<u>(12,688)</u>	<u>(13,244)</u>
Noncontrolling interests	1,788	1,768
Total stockholders' deficit	<u>(10,900)</u>	<u>(11,476)</u>
Total Liabilities and Stockholders' (Deficit) Equity	<u><u>\$ 36,851</u></u>	<u><u>\$ 33,956</u></u>

See notes to consolidated financial statements.