Reconciliation of Non-GAAP Measures

Adjustments for the Impact of Currency and Acquisitions

For the Years Ended December 31,

(in millions)
(Unaudited)

2013								2012			% Change in Reported Net Revenues excluding Excise Taxes		
Reported Net Revenues	Less Excise Taxes	Reported Net Revenues excluding Excise Taxes	Less Currency	Reported Net Revenues excluding Excise Taxes & Currency	Less Acquisitions	Reported Net Revenues excluding Excise Taxes, Currency & Acquisitions		Reported Net Revenues	Less Excise Taxes	Reported Net Revenues excluding Excise Taxes	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions
$28,303	$19,707	$ 8,596	$ 205	$ 8,391	$—	$ 8,391	European Union	$27,338	$18,812	$ 8,526	0.8 %	(1.6)%	(1.6)%
20,695	11,929	8,766	(98)	8,864	—	8,864	EEMA	19,272	10,940	8,332	5.2 %	6.4 %	6.4 %
20,987	10,486	10,501	(726)	11,227	—	11,227	Asia	21,071	9,873	11,198	(6.2)%	0.3 %	0.3 %
10,044	6,690	3,354	(146)	3,500	—	3,500	Latin America & Canada	9,712	6,391	3,321	1.0 %	5.4 %	5.4 %
$80,029	$48,812	$31,217	$(765)	$31,982	$—	$31,982	PMI Total	$77,393	$46,016	$31,377	(0.5)%	1.9 %	1.9 %

2013							2012	% Change in Reported Operating Companies Income		
Reported Operating Companies Income	Less Currency	Reported Operating Companies Income excluding Currency	Less Acquisitions	Reported Operating Companies Income excluding Currency & Acquisitions			Reported Operating Companies Income	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions
$ 4,238	$ 92	$ 4,146	$—	$ 4,146	European Union		$ 4,187	1.2 %	(1.0)%	(1.0)%
3,779	(122)	3,901	—	3,901	EEMA		3,726	1.4 %	4.7 %	4.7 %
4,622	(548)	5,170	—	5,170	Asia		5,197	(11.1)%	(0.5)%	(0.5)%
1,134	(64)	1,198	—	1,198	Latin America & Canada		1,043	8.7 %	14.9 %	14.9 %
$13,773	$(642)	$14,415	$—	$14,415	PMI Total		$14,153	(2.7)%	1.9 %	1.9 %

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

For the Years Ended December 31,

(in millions)
(Unaudited)

2013								2012			% Change in Adjusted Operating Companies Income		
Reported 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		Reported Operating Companies Income	Less Asset Impairment & Exit Costs	Adjusted Operating Companies Income	Adjusted	Adjusted excluding Currency	Adjusted excluding Currency & Acquisitions
$ 4,238	$ (13)	$ 4,251	$ 92	$ 4,159	$—	$ 4,159	European Union	$ 4,187	$ (5)	$ 4,192	1.4 %	(0.8)%	(0.8)%
3,779	(264)	4,043	(122)	4,165	—	4,165	EEMA	3,726	(5)	3,731	8.4 %	11.6 %	11.6 %
4,622	(27)	4,649	(548)	5,197	—	5,197	Asia	5,197	(39)	5,236	(11.2)%	(0.7)%	(0.7)%
1,134	(5)	1,139	(64)	1,203	—	1,203	Latin America & Canada	1,043	(34)	1,077	5.8 %	11.7 %	11.7 %
$13,773	$(309)	$14,082	$(642)	$14,724	$—	$14,724	PMI Total	$14,153	$(83)	$14,236	(1.1)%	3.4 %	3.4 %

Adjusted Operating Companies Income Margin, excluding Currency and Acquisitions

For the Years Ended December 31,

(in millions)
(Unaudited)

2013							2012			% 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	Adjusted Operating Companies Income Margin excluding Currency	Adjusted Operating Companies Income Margin excluding Currency & Acquisitions
$ 4,159	$ 8,391	49.6%	$ 4,159	$ 8,391	49.6%	European Union	$ 4,192	$ 8,526	49.2%	0.4 pp	0.4 pp
4,165	8,864	47.0%	4,165	8,864	47.0%	EEMA	3,731	8,332	44.8%	2.2 pp	2.2 pp
5,197	11,227	46.3%	5,197	11,227	46.3%	Asia	5,236	11,198	46.8%	(0.5)pp	(0.5)pp
1,203	3,500	34.4%	1,203	3,500	34.4%	Latin America & Canada	1,077	3,321	32.4%	2.0 pp	2.0 pp
$14,724	$31,982	46.0%	$14,724	$31,982	46.0%	PMI Total	$14,236	$31,377	45.4%	0.6 pp	0.6 pp

(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 above.

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

For the Years Ended December 31, (Unaudited)	2013	2012	% Change
Reported Diluted EPS	**$ 5.26**	$5.17	1.7 %
Less:			
Currency impact	**(0.34)**		
Reported Diluted EPS, excluding Currency	**$ 5.60**	$5.17	8.3 %

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

For the Years Ended December 31, (Unaudited)	2013	2012	% Change
Reported Diluted EPS	**$ 5.26**	$5.17	1.7 %
Adjustments:			
Asset impairment and exit costs	**0.12**	0.03	
Tax items	**0.02**	0.02	
Adjusted Diluted EPS	**$ 5.40**	$5.22	3.4 %
Less:			
Currency impact	**(0.34)**		
Adjusted Diluted EPS, excluding Currency	**$ 5.74**	$5.22	10.0 %

Reconciliation of Operating Income to Operating Companies Income

For the Years Ended December 31, (in millions) (Unaudited)	2013	2012	% Change
Operating income	**$13,515**	$13,863	(2.5)%
Excluding:			
Amortization of intangibles	**93**	97	
General corporate expenses (included in marketing, administration and research costs)	**187**	210	
Plus:			
Equity (income)/loss in unconsolidated subsidiaries, net	**22**	17	
Operating companies income	**$13,773**	$14,153	(2.7)%

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

For the Years Ended December 31, (in millions) (Unaudited)	2013	2012	% Change
Net cash provided by operating activities[(a)]	**$10,135**	$9,421	7.6 %
Less:			
Capital expenditures	**1,200**	1,056	
Free cash flow	**$ 8,935**	$8,365	6.8 %
Less:			
Currency impact	**(420)**		
Free cash flow, excluding currency	**$ 9,355**	$8,365	11.8 %

(a) Operating cash flow.