

Reconciliation of Non-GAAP Measures

Adjustments for the Impact of Currency and Acquisitions

For the Years Ended December 31,

(in millions) (Unaudited)									2013			% Change in Reported Net Revenues excluding Excise Taxes		
2014														
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
\$ 29,058	\$20,219	\$ 8,839	\$ 122	\$ 8,717	\$ 11	\$ 8,706	European Union		\$ 28,303	\$19,707	\$ 8,596	2.8 %	1.4 %	1.3 %
21,928	13,006	8,922	(761)	9,683	1	9,682	EEMA		20,695	11,929	8,766	1.8 %	10.5 %	10.4 %
19,255	10,527	8,728	(1,022)	9,750	—	9,750	Asia		20,987	10,486	10,501	(16.9)%	(7.2)%	(7.2)%
9,865	6,587	3,278	(431)	3,709	1	3,708	Latin America & Canada		10,044	6,690	3,354	(2.3)%	10.6 %	10.6 %
\$ 80,106	\$50,339	\$ 29,767	\$ (2,092)	\$ 31,859	\$ 13	\$ 31,846	PMI Total		\$ 80,029	\$48,812	\$ 31,217	(4.6)%	2.1 %	2.0 %

2014									2013			% 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
\$ 3,727			\$ 37	\$ 3,690	\$ (1)	\$ 3,691	European Union		\$ 4,238			(12.1)%	(12.9)%	(12.9)%
4,121			(611)	4,732	(8)	4,740	EEMA		3,779			9.1 %	25.2 %	25.4 %
3,187			(656)	3,843	—	3,843	Asia		4,622			(31.0)%	(16.9)%	(16.9)%
1,030			(243)	1,273	(1)	1,274	Latin America & Canada		1,134			(9.2)%	12.3 %	12.3 %
\$ 12,065			\$ (1,473)	\$ 13,538	\$ (10)	\$ 13,548	PMI Total		\$ 13,773			(12.4)%	(1.7)%	(1.6)%

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			% Change in Adjusted Operating Companies Income		
2014														
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
\$ 3,727	\$ (490)	\$ 4,217	\$ 37	\$ 4,180	\$ (1)	\$ 4,181	European Union		\$ 4,238	\$ (13)	\$ 4,251	(0.8)%	(1.7)%	(1.6)%
4,121	(2)	4,123	(611)	4,734	(8)	4,742	EEMA		3,779	(264)	4,043	2.0 %	17.1 %	17.3 %
3,187	(35)	3,222	(656)	3,878	—	3,878	Asia		4,622	(27)	4,649	(30.7)%	(16.6)%	(16.6)%
1,030	(8)	1,038	(243)	1,281	(1)	1,282	Latin America & Canada		1,134	(5)	1,139	(8.9)%	12.5 %	12.6 %
\$ 12,065	\$ (535)	\$ 12,600	\$ (1,473)	\$ 14,073	\$ (10)	\$ 14,083	PMI Total		\$ 13,773	\$ (309)	\$ 14,082	(10.5)%	(0.1)%	—%

Adjusted Operating Companies Income Margin, excluding Currency and Acquisitions

For the Years Ended December 31,

(in millions)

(Unaudited) 2014						2013				% 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	
\$ 4,180	\$ 8,717	48.0 %	\$ 4,181	\$ 8,706	48.0 %	European Union	\$ 4,251	\$ 8,596	49.5 %	(1.5)	(1.5)
4,734	9,683	48.9 %	4,742	9,682	49.0 %	EEMA	4,043	8,766	46.1 %	2.8	2.9
3,878	9,750	39.8 %	3,878	9,750	39.8 %	Asia	4,649	10,501	44.3 %	(4.5)	(4.5)
1,281	3,709	34.5 %	1,282	3,708	34.6 %	Latin America & Canada	1,139	3,354	34.0 %	0.5	0.6
\$ 14,073	\$ 31,859	44.2%	\$ 14,083	\$ 31,846	44.2%	PMI Total	\$ 14,082	\$ 31,217	45.1%	(0.9)	(0.9)

(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.

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

For the Years Ended December 31, (Unaudited)	2014	2013	% Change
Reported Diluted EPS	\$ 4.76	\$ 5.26	(9.5)%
Less:			
Currency impact	(0.80)		
Reported Diluted EPS, excluding Currency	\$ 5.56	\$ 5.26	5.7 %

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

For the Years Ended December 31, (Unaudited)	2014	2013	% Change
Reported Diluted EPS	\$ 4.76	\$ 5.26	(9.5)%
Adjustments:			
Asset impairment and exit costs	0.26	0.12	
Tax items	—	0.02	
Adjusted Diluted EPS	\$ 5.02	\$ 5.40	(7.0)%
Less:			
Currency impact	(0.80)		
Adjusted Diluted EPS, excluding Currency	\$ 5.82	\$ 5.40	7.8 %

Reconciliation of Operating Income to Operating Companies Income

For the Years Ended December 31, (in millions) (Unaudited)	2014	2013	% Change
Operating Income	\$ 11,702	\$ 13,515	(13.4)%
Excluding:			
- Amortization of intangibles	93	93	
- General corporate expenses (included in marketing, administration and research costs)	165	187	
Plus: Equity (income)/loss in unconsolidated subsidiaries, net	(105)	22	
Operating Companies Income	\$ 12,065	\$ 13,773	(12.4)%

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

For the Years Ended December 31, (in millions) (Unaudited)	2014	2013	% Change
Net cash provided by operating activities(a)	\$ 7,739	\$ 10,135	(23.6)%
Less:			
Capital expenditures	1,153	1,200	
Free cash flow	\$ 6,586	\$ 8,935	(26.3)%
Less:			
Currency impact	(1,639)		
Free cash flow, excluding currency	\$ 8,225	\$ 8,935	(7.9)%

(a) Operating cash flow.