

2014: A Successful Investment Year

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We invested in a number of strategic priorities in 2014 that will better position us for future growth, including:

- The accelerated launch of our first Reduced-Risk Product (RRP),⁽¹⁾ iQOS, which represents an historic milestone in our commitment to harm reduction;
- The successful initial roll-out of our *Marlboro* 2.0 Architecture, which marked a bold new chapter for the world's most popular cigarette brand and helped to grow its global market share to 9.4%,⁽²⁾ and
- A major optimization of our global manufacturing footprint, that now places us on a more efficient operational foundation.

856.0

Billion
Cigarettes
Shipped,
down by 2.8%⁺

\$29.8

Billion
Net Revenues,^{*}
up by 2.0%^{††}

\$12.6

Billion
Adjusted OCI,
flat^{††}

\$5.02

Adjusted
Diluted EPS,
up by 7.8%^{†††}

⁽¹⁾ Reduced-Risk Products (RRPs) is the term the company uses to refer to products with the potential to reduce individual risk and population harm in comparison to smoking combustible cigarettes. For further information, please see page 6 of this Annual Report.

⁽²⁾ Excluding China and the U.S.

^{*} Excluding excise taxes.

[†] Excluding acquisitions. ^{††} Excluding currency and acquisitions. ^{†††} Excluding currency.

Note: Operating companies income (OCI) is defined as operating income, excluding general corporate expenses and the amortization of intangibles, plus equity (income)/loss in unconsolidated subsidiaries, net.