

**Item 8. Financial Statements and Supplementary Data.****Consolidated Balance Sheets**

(in millions of dollars, except share data)

at December 31,	2015	2014
<b>Assets</b>		
Cash and cash equivalents	\$ 3,417	\$ 1,682
Receivables (less allowances of \$58 in 2015 and \$50 in 2014)	2,778	4,004
Inventories:		
Leaf tobacco	2,640	3,135
Other raw materials	1,613	1,696
Finished product	4,220	3,761
	<u>8,473</u>	<u>8,592</u>
Deferred income taxes	488	533
Other current assets	648	673
Total current assets	<u>15,804</u>	<u>15,484</u>
Property, plant and equipment, at cost:		
Land and land improvements	583	639
Buildings and building equipment	3,361	3,620
Machinery and equipment	6,978	7,664
Construction in progress	845	836
	<u>11,767</u>	<u>12,759</u>
Less: accumulated depreciation	6,046	6,688
	<u>5,721</u>	<u>6,071</u>
Goodwill (Note 3)	7,415	8,388
Other intangible assets, net (Note 3)	2,623	2,985
Investments in unconsolidated subsidiaries (Note 4)	890	1,083
Other assets	1,503	1,176
<b>Total Assets</b>	<u>\$ 33,956</u>	<u>\$ 35,187</u>

See notes to consolidated financial statements.

at December 31,	2015	2014
<b>Liabilities</b>		
Short-term borrowings (Note 7)	\$ 825	\$ 1,208
Current portion of long-term debt (Note 7)	2,405	1,318
Accounts payable	1,289	1,242
Accrued liabilities:		
Marketing and selling	640	549
Taxes, except income taxes	5,121	5,490
Employment costs	903	1,135
Dividends payable	1,589	1,559
Other	1,438	1,375
Income taxes	970	1,078
Deferred income taxes	206	158
Total current liabilities	<u>15,386</u>	<u>15,112</u>
Long-term debt (Note 7)	25,250	26,929
Deferred income taxes	1,543	1,549
Employment costs	2,566	2,202
Other liabilities	687	598
Total liabilities	<u>45,432</u>	<u>46,390</u>
Contingencies (Note 21)		
<b>Stockholders' (Deficit) Equity</b>		
Common stock, no par value (2,109,316,331 shares issued in 2015 and 2014)	—	—
Additional paid-in capital	1,929	710
Earnings reinvested in the business	29,842	29,249
Accumulated other comprehensive losses	(9,402)	(6,826)
	<u>22,369</u>	<u>23,133</u>
Less: cost of repurchased stock (559,972,262 and 562,416,635 shares in 2015 and 2014, respectively)	35,613	35,762
Total PMI stockholders' deficit	<u>(13,244)</u>	<u>(12,629)</u>
Noncontrolling interests	1,768	1,426
Total stockholders' deficit	<u>(11,476)</u>	<u>(11,203)</u>
<b>Total Liabilities and Stockholders' (Deficit) Equity</b>	<u><u>\$ 33,956</u></u>	<u><u>\$ 35,187</u></u>

See notes to consolidated financial statements.