

Reconciliation of Non-GAAP Measures

Adjustments for the Impact of Currency and Acquisitions

For the Years Ended December 31,

(in millions) (Unaudited)											% Change in Reported Net Revenues excluding Excise Taxes		
2015								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
\$ 26,563	\$18,495	\$ 8,068	\$ (1,503)	\$ 9,571	\$ 11	\$ 9,560	European Union	\$ 30,517	\$21,370	\$ 9,147	(11.8)%	4.6%	4.5%
18,328	10,964	7,364	(1,835)	9,199	1	9,198	EEMA	20,469	11,855	8,614	(14.5)%	6.8%	6.8%
19,469	11,266	8,203	(875)	9,078	—	9,078	Asia	19,255	10,527	8,728	(6.0)%	4.0%	4.0%
9,548	6,389	3,159	(505)	3,664	4	3,660	Latin America & Canada	9,865	6,587	3,278	(3.6)%	11.8%	11.7%
\$ 73,908	\$47,114	\$ 26,794	\$ (4,718)	\$ 31,512	\$ 16	\$ 31,496	PMI Total	\$ 80,106	\$50,339	\$ 29,767	(10.0)%	5.9%	5.8%

2015								2014			% 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 Operating Companies Income	Reported	Reported excluding Currency	Reported excluding Currency & Acquisitions
\$ 3,576			\$ (857)	\$ 4,433	\$ (2)	\$ 4,435	European Union	\$ 3,815		\$ 3,815	(6.3)%	16.2%	16.3%
3,425			(938)	4,363	(1)	4,364	EEMA	4,033		4,033	(15.1)%	8.2%	8.2%
2,886			(388)	3,274	—	3,274	Asia	3,187		3,187	(9.4)%	2.7%	2.7%
1,085			(210)	1,295	3	1,292	Latin America & Canada	1,030		1,030	5.3 %	25.7%	25.4%
\$ 10,972			\$ (2,393)	\$ 13,365	\$ —	\$ 13,365	PMI Total	\$ 12,065		\$ 12,065	(9.1)%	10.8%	10.8%

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

For the Years Ended December 31,

(in millions) (Unaudited)											% Change in Adjusted Operating Companies Income		
2015								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
\$ 3,576	\$ (68)	\$ 3,644	\$ (857)	\$ 4,501	\$ (2)	\$ 4,503	European Union	\$ 3,815	\$ (490)	\$ 4,305	(15.4)%	4.6%	4.6%
3,425	—	3,425	(938)	4,363	(1)	4,364	EEMA	4,033	(2)	4,035	(15.1)%	8.1%	8.2%
2,886	—	2,886	(388)	3,274	—	3,274	Asia	3,187	(35)	3,222	(10.4)%	1.6%	1.6%
1,085	—	1,085	(210)	1,295	3	1,292	Latin America & Canada	1,030	(8)	1,038	4.5 %	24.8%	24.5%
\$ 10,972	\$ (68)	\$ 11,040	\$ (2,393)	\$ 13,433	\$ —	\$ 13,433	PMI Total	\$ 12,065	\$ (535)	\$ 12,600	(12.4)%	6.6%	6.6%

Adjusted Operating Companies Income Margin, excluding Currency and Acquisitions

For the Years Ended December 31,

(in millions)

(Unaudited) 2015							2014			% 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
\$ 4,501	\$ 9,571	47.0 %	\$ 4,503	\$ 9,560	47.1 %	European Union	\$ 4,305	\$ 9,147	47.1 %	(0.1)	—
4,363	9,199	47.4 %	4,364	9,198	47.4 %	EEMA	4,035	8,614	46.8 %	0.6	0.6
3,274	9,078	36.1 %	3,274	9,078	36.1 %	Asia	3,222	8,728	36.9 %	(0.8)	(0.8)
1,295	3,664	35.3 %	1,292	3,660	35.3 %	Latin America & Canada	1,038	3,278	31.7 %	3.6	3.6
\$ 13,433	\$ 31,512	42.6%	\$ 13,433	\$ 31,496	42.6%	PMI Total	\$ 12,600	\$ 29,767	42.3%	0.3	0.3

(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)	2015	2014	% Change
Reported Diluted EPS	\$ 4.42	\$ 4.76	(7.1)%
Less:			
Currency impact	(1.20)		
Reported Diluted EPS, excluding Currency	\$ 5.62	\$ 4.76	18.1 %

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

For the Years Ended December 31, (Unaudited)	2015	2014	% Change
Reported Diluted EPS	\$ 4.42	\$ 4.76	(7.1)%
Adjustments:			
Asset impairment and exit costs	0.03	0.26	
Tax items	(0.03)	—	
Adjusted Diluted EPS	\$ 4.42	\$ 5.02	(12.0)%
Less:			
Currency impact	(1.20)		
Adjusted Diluted EPS, excluding Currency	\$ 5.62	\$ 5.02	12.0 %

Reconciliation of Operating Income to Operating Companies Income

For the Years Ended December 31, (in millions) (Unaudited)	2015	2014	% Change
Operating Income	\$ 10,623	\$ 11,702	(9.2)%
Excluding:			
- Amortization of intangibles	82	93	
- General corporate expenses (included in marketing, administration and research costs)	162	165	
Plus: Equity (income)/loss in unconsolidated subsidiaries, net	(105)	(105)	
Operating Companies Income	\$ 10,972	\$ 12,065	(9.1)%

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

For the Years Ended December 31, (in millions) (Unaudited)	2015	2014	% Change
Net cash provided by operating activities^(a)	\$ 7,865	\$ 7,739	1.6%
Less:			
Capital expenditures	960	1,153	
Free cash flow	\$ 6,905	\$ 6,586	4.8%
Less:			
Currency impact	(1,996)		
Free cash flow, excluding currency	\$ 8,901	\$ 6,586	35.2%

(a) Operating cash flow.