Remarks by Marty Barrington, Altria Group, Inc.'s (Altria) Chairman, Chief Executive Officer (CEO) and President, at Altria's 2015 Annual Meeting of Shareholders

NOTE: The text of Mr. Barrington's remarks delivered to shareholders at Altria's 2015 Annual Meeting of Shareholders is set forth below. Mr. Barrington's actual remarks have been modified in this reproduction to delete portions of his remarks relating to the conduct of business at the meeting. Following Mr. Barrington's reproduced remarks below is a reference to Altria's Forward-Looking and Cautionary Statements and a section including reconciliations of non-GAAP financial measures to corresponding GAAP financial measures.

Marty Barrington

Good morning. Welcome to Altria's 2015 Annual Meeting of Shareholders, which I now call to order. I'm Marty Barrington, Chairman, CEO and President of Altria. We welcome everyone who is here today or listening on the webcast.

We're now pleased to share with you a short business update. Shareholders are familiar with our business results through various means, including our 2014 Annual Report, our presentation at the CAGNY conference and our first quarter earnings release. We also recently completed our 2014 Corporate Responsibility Report. And all those materials are available at altria.com.

Rather than repeat all of that information here, we have prepared a card of highlights of the following four areas, about which we will comment briefly:

1. A high-level summary of full year 2014 and first quarter 2015 operating and financial results;
2. A focus on our people and work culture;
3. Our commitment to our communities; and
4. Our corporate responsibility initiatives.

Let's start with our operating and financial results. 2014 was a very strong year for Altria and its shareholders, and we believe that Altria continues to be a terrific investment.

- We grew adjusted diluted earnings per share (EPS) 8%.
- We grew our dividend 8.3% and paid shareholders $3.9 billion in dividends.
- The smokeable products segment grew adjusted operating companies income (OCI) 6.7%.
- *Marlboro* achieved record retail share of 43.8%, larger than the next 10 brands combined.
- *Copenhagen* and *Skoal* combined achieved record retail share of 51.2% since the UST LLC acquisition.

- Nu Mark LLC (Nu Mark) expanded its *MarkTen* e-vapor product nationally and acquired Green Smoke to complement its portfolio.

- And we delivered total shareholder return of over 34%, far outpacing the S&P 500 and the S&P Food, Beverage and Tobacco Index.

Turning to 2015, our businesses are off to a strong start against our full-year objectives. Altria's 2015 first-quarter adjusted diluted EPS increased 10.5%. And each of our reportable segments grew their OCI and margins. Therefore, we reaffirm our guidance for 2015 full-year adjusted diluted EPS in a range of $2.75 to $2.80, representing growth of 7% to 9% from our 2014 adjusted diluted EPS base of $2.57.

We produced these excellent results with clear strategies, strong execution by our talented employees, and our Mission framework that continues to guide us.

We achieve success through excellent people, and we view each of our approximately 9,000 employees as leaders. Our companies operate in highly regulated, dynamic and competitive industries. So it's important we provide employees with the programs, training and tools to help them and our companies succeed. In 2014, we launched a company-wide effort focused on simplification, innovation and diversity and inclusion – three areas that are critical to our culture and future success. To help emphasize these areas, we conducted:

- an executive leadership program for officers;

- a leadership summit for approximately 240 directors and vice-presidents; and

- a redesigned program for first-time managers.

These efforts along with many others are helping our employees succeed. In fact, last month, *Forbes* magazine recognized Altria as one of America's top 100 best employers.

We're also fostering diversity and inclusion through an Executive Diversity Council, which I chair, and through the expansion of employee resource groups. In 2015, *DiversityInc* magazine named Altria as one of the "25 Noteworthy Companies" for diversity.

Altria continued to strengthen the communities where we live and work. In 2014, our companies contributed more than $50 million to non-profit organizations in our local communities with a focus on supporting positive youth development, protecting the environment and arts and culture. In 2014, the Civic 50 recognized Altria as one of America's most community-minded companies.

Our employees continue to contribute to our communities, and we're extremely proud of their generosity. In 2014, they volunteered more than 50,000 hours to company-sponsored service projects. And the Altria Companies Employee Community Fund, which our employees fund and manage, donated over $3 million to more than 100 deserving organizations.

Altria and its companies actively participate in resolving business-relevant societal concerns. These include helping reduce underage product use, reducing the harm caused by tobacco products, helping reasonable regulation succeed and promoting a sustainable supply chain.

Kids should not smoke or use any tobacco products. Our tobacco companies continue to invest in positive youth development programs to help kids build self-confidence, make healthy decisions and resist risky behaviors, including tobacco use. In 2014, our tobacco companies invested over $20 million in our Success360° initiative, which promotes the healthy development of middle school kids.

Underage smoking is at historic lows, but there's still more work to do. The Centers for Disease Control and Prevention recently reported an increase in e-vapor usage among youth. Our companies are taking steps to help address this issue. For example, Altria and Nu Mark are advocating for e-vapor minimum age laws at the state and federal levels. So far, 44 states have passed this legislation. Also, Nu Mark requires retailers who accept its promotional programs to sell MarkTen e-vapor products only to consumers old enough to buy tobacco.

For adults who continue to use tobacco products, a growing body of evidence suggests some tobacco products are less harmful than others. So our tobacco companies continue to focus on developing lower-risk products that appeal to adult tobacco consumers. We believe the U.S. Food and Drug Administration (FDA) has an unprecedented opportunity to advance public health goals by recognizing that some types of tobacco products may have significantly lower risk compared to cigarettes.

For several years, our companies have worked with various stakeholders, such as the Farm Labor Practices Group and the Elimination of Child Labour in Tobacco Foundation, to address issues such as child labor, grower and worker training and farm labor contractor compliance. We are a founding member of the U.S. based Farm Labor Practices Group and we lead its training and education task force. The task force recently rolled out enhanced training on labor management, including how to prevent green tobacco sickness. We've helped design this training for an estimated 10,000 growers in 11 states in 2015.

The Executive Leadership team and I are very pleased with Altria's strong business performance and the momentum of our company. We thank our talented employees for delivering strong results and for their commitment to our Mission and Values.

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Altria's Profile

Altria's wholly-owned subsidiaries include Philip Morris USA Inc. (PM USA), U.S. Smokeless Tobacco Company LLC (USSTC), John Middleton Co., Nu Mark, Ste. Michelle Wine Estates Ltd. (Ste. Michelle) and Philip Morris Capital Corporation. Altria holds a continuing economic and voting interest in SABMiller plc (SABMiller).

The brand portfolios of Altria's tobacco operating companies include *Marlboro*®, *Black & Mild*®, *Copenhagen*®, *Skoal*®, *MarkTen*® and *Green Smoke*®. Ste. Michelle produces and markets premium wines sold under various labels, including *Chateau Ste. Michelle*®, *Columbia Crest*®, *14 Hands*® and *Stag's Leap Wine Cellars*™, and it imports and markets *Antinori*®, *Champagne Nicolas Feuillatte*™, *Torres*® and *Villa Maria Estate*™ products in the United States. Trademarks and service marks related to Altria referenced in this release are the property of Altria or its subsidiaries or are used with permission. More information about Altria is available at altria.com and on the Altria Investor app.

Forward-Looking and Cautionary Statements

These remarks contain projections of future results and other forward-looking statements that involve a number of risks and uncertainties and are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995.

Important factors that may cause actual results and outcomes to differ materially from those contained in the projections and forward-looking statements included in these remarks are described in Altria's publicly filed reports, including its Annual Report on Form 10-K for the year ended December 31, 2014 and its Quarterly Report on Form 10-Q for the period ended March 31, 2015.

These factors include the following: significant competition; changes in adult consumer preferences and demand for Altria's operating companies' products; fluctuations in raw material availability, quality and price; reliance on key facilities and suppliers; reliance on critical information systems, many of which are managed by third-party service providers; fluctuations in levels of customer inventories; the effects of global, national and local economic and market conditions; changes to income tax laws; federal, state and local legislative activity, including actual and potential federal and state excise tax increases; increasing marketing and regulatory restrictions; the effects of price increases related to excise tax increases and concluded tobacco litigation settlements on trade inventories, consumption rates and consumer preferences within price segments; health concerns relating to the use of tobacco products and exposure to environmental tobacco smoke; privately imposed smoking restrictions; and, from time to time, governmental investigations.

Furthermore, the results of Altria's tobacco businesses are dependent upon their continued ability to promote brand equity successfully; to anticipate and respond to evolving adult consumer preferences; to develop, manufacture, market and distribute products that appeal to adult tobacco consumers (including, where appropriate, through arrangements with, and investments in, third parties); to improve productivity; and to protect or enhance margins through cost savings and price increases.

Altria and its tobacco businesses are also subject to federal, state and local government regulation, including broad-based regulation of PM USA and USSTC by the FDA. Altria and its subsidiaries continue to be subject to litigation, including risks associated with adverse jury and judicial determinations, courts reaching conclusions at variance with the companies' understanding of applicable law, bonding requirements in the limited number of jurisdictions that do not limit the dollar amount of appeal bonds and certain challenges to bond cap statutes.

Altria cautions that the foregoing list of important factors is not complete and does not undertake to update any forward-looking statements that it may make except as required by applicable law. All subsequent written and oral forward-looking statements attributable to Altria or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements referenced above.

Non-GAAP Financial Measures

Altria reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). Altria's management reviews OCI, which is defined as operating income before amortization of intangibles and general corporate expenses, to evaluate the performance of, and allocate resources to, the segments. Altria's management also reviews certain financial results, including OCI and diluted EPS, on an adjusted basis, which exclude certain income and expense items that management believes are not part of underlying operations. These items may include, for example, loss on early extinguishment of debt, restructuring charges, SABMiller special items, certain tax items, charges associated with tobacco and health litigation items, and settlements of, and determinations made in connection with, certain non-participating manufacturer (NPM) adjustment disputes (such settlements and determinations are referred to collectively as NPM Adjustment Items). Altria's management does not view any of these special items to be part of Altria's sustainable results as they may be highly variable, are difficult to predict and can distort underlying business trends and results. Altria's management believes that these adjusted financial measures provide useful insight into underlying business trends and results and provide a more meaningful comparison of year-over-year results. Altria's management uses adjusted financial measures for planning, forecasting and evaluating business and financial performance, including allocating resources and evaluating results relative to employee compensation targets.

These adjusted financial measures are not consistent with GAAP, and should thus be considered as supplemental in nature and not considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. Reconciliations of historical adjusted financial measures to corresponding GAAP financial measures are provided below. Altria's full-year adjusted diluted EPS guidance excludes the impact of certain income and expense items, including those items noted above. Altria's management cannot estimate on a forward-looking basis the impact of these items on Altria's reported diluted EPS because these items, which could be significant, are difficult to predict and may be highly variable. As a result, Altria does not provide a corresponding GAAP financial measure for, or reconciliation to, its adjusted diluted EPS guidance.

Altria Group, Inc. and Consolidated Subsidiaries, Full-Year Adjusted Diluted EPS

	Full Year Ended December 31,	
	2014	**2013**
Reported diluted EPS	**$ 2.56**	**$ 2.26**
NPM Adjustment Items	(0.03)	(0.21)
Loss on early extinguishment of debt	0.02	0.34
Asset impairment, exit, integration and acquisition-related costs	0.01	-
SABMiller special items	0.01	0.01
Tax items	(0.01)	(0.03)
Tobacco and health litigation items	0.01	0.01
Adjusted diluted EPS	**$ 2.57**	**$ 2.38**
Adjusted diluted EPS annual growth rate (2014 vs. 2013)	**8.0%**	

Altria Group, Inc. and Consolidated Subsidiaries, Selected Financial Data for Smokeable Products
($ in millions)

	Full Year Ended December 31,	
	2014	**2013**
Reported OCI	**$ 6,873**	**$ 7,063**
NPM Adjustment Items	(43)	(664)
Asset impairment, exit and implementation costs	(6)	4
Tobacco and health litigation items	27	18
Adjusted OCI	**$ 6,851**	**$ 6,421**
Change in adjusted OCI (2014 vs. 2013)	**6.7%**	

Altria Group, Inc. and Consolidated Subsidiaries, First Quarter Adjusted Diluted EPS

	First Quarter Ended March 31,	
	2015	**2014**
Reported diluted EPS	**$ 0.52**	**$ 0.59**
NPM Adjustment Items	-	(0.02)
Tobacco and health litigation items	0.01	-
SABMiller special items	0.03	-
Loss on early extinguishment of debt	0.07	-
Adjusted diluted EPS	**$ 0.63**	**$ 0.57**
Adjusted diluted EPS growth rate (Q1 2015 vs. Q1 2014)	**10.5%**	