



Q3 2017 Earnings – Quarterly Metrics		
Smokeable	Q3 2017	Δ vs. Q3 2016
Marlboro Price Gap (vs. Lowest Effective)	29%	
Marlboro Net Pack Price	\$6.64	\$0.37
Lowest Effective Price	\$5.16	\$0.30
<u>Discount Segment Retail Share</u>	<u>23.8%</u>	<u>-- pp</u>
Major Manufacturer Branded Discount	16.5%	(0.5 pp)
Deep Discount	7.3%	+0.5 pp
Estimated Weighted Average State Excise Tax per pack	\$1.75	\$0.14
2017 PM USA Wholesale Inventory Estimates:	(in billion units)	
End of Q3 2017	4.0	
End of Q2 2017	3.2	
End of Q3 2016	3.3	
End of Q2 2016	2.3	
2017 Cigarette Industry Wholesale Inventory (PM USA Estimates):	(in billion units)	
End of Q3 2017	8.4	
End of Q2 2017	6.6	
End of Q3 2016	6.3	
End of Q2 2016	5.4	

Note: Wholesale inventory changes are one factor PM USA uses to estimate adjusted PM USA and industry volumes.

Smokeless	Q3 2017	Δ vs. Q3 2016
Copenhagen Price Gap (vs Leading Discount Brand)	25%	
Copenhagen Retail Price	\$4.69	\$0.31
Leading Discount Brand	\$3.75	\$0.27

Other	Q3 2017	9M 2017
Capital Expenditures	\$60 million	\$151 million
Ongoing Depreciation and Amortization	\$51 million	\$155 million

*All Smokeable and Smokeless prices reflect IRI restatement.