



Q2 2016 Earnings – Quarterly Metrics		
Smokeable	Q2 2016	Δ vs. Q2 2015
<i>Marlboro</i> Price Gap (vs. Lowest Effective)	30%	
<i>Marlboro</i> Net Pack Price	\$6.22	\$0.13
Lowest Effective Price	\$4.80	\$0.17
Discount Segment Retail Share	23.9%	(0.5pp)
Estimated Weighted Average State Excise Tax per pack	\$1.55	\$0.06
2016 PM USA Wholesale Inventory Estimates:	(in billion units)	
End of Q2 2016	2.3	
End of Q1 2016	2.7	
End of Q2 2015	2.8	
End of Q1 2015	2.6	
2016 Cigarette Industry Wholesale Inventory (PM USA Estimates):	(in billion units)	
End of Q2 2016	5.4	
End of Q1 2016	5.7	
End of Q2 2015	6.2	
End of Q1 2015	5.5	

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

Smokeless	Q2 2016	Δ vs. Q2 2015
<i>Copenhagen</i> Price Gap (vs Leading Discount Brand)	25%	
<i>Copenhagen</i> Retail Price	\$4.28	\$0.06
Leading Discount Brand	\$3.42	\$0.15

Other	Q2 2016	1H 2016
Capital Expenditures	\$51 million	\$77 million
Ongoing Depreciation and Amortization	\$49 million	\$98 million