

Reconciliation of Non-GAAP Measures

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

For the Years Ended December 31, (Unaudited)	2018	2017	% Change
Reported Diluted EPS	\$ 5.08	\$ 3.88	30.9%
Less:			
Currency impact	(0.11)		
Reported Diluted EPS, excluding Currency	\$ 5.19	\$ 3.88	33.8%

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

For the Years Ended December 31, (Unaudited)	2018	2017	% Change
Reported Diluted EPS	\$ 5.08	\$ 3.88	30.9%
Adjustments:			
Asset impairment and exit costs	—	—	
Tax items	0.02	0.84	
Adjusted Diluted EPS	\$ 5.10	\$ 4.72	8.1%
Less:			
Currency impact	(0.11)		
Adjusted Diluted EPS, excluding Currency	\$ 5.21	\$ 4.72	10.4%

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

For the Years Ended December 31, (in millions) (Unaudited)	2018	2017	% Change
Net cash provided by operating activities (1)	\$ 9,478	\$ 8,912	6.4%
Less:			
Currency impact	(223)		
Net cash provided by operating activities, excluding currency	\$ 9,701	\$ 8,912	8.9%

(1) Operating cash flow.

Reconciliation of Net Revenues to Net Revenues, excluding Currency and Acquisitions

For the Years Ended December 31,

(in millions) (Unaudited)											
2018						2017		% Change in Net Revenues			
Net Revenues	Less Currency	Net Revenues excluding Currency	Less Acquisitions	Net Revenues excluding Currency & Acquisitions		Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions		
\$ 9,298	\$ 489	\$ 8,809	\$ —	\$ 8,809	European Union	\$ 8,318	11.8 %	5.9 %	5.9 %		
2,921	(118)	3,039	—	3,039	Eastern Europe	2,711	7.7 %	12.1 %	12.1 %		
4,114	(193)	4,307	—	4,307	Middle East & Africa	3,988	3.2 %	8.0 %	8.0 %		
4,656	(244)	4,900	—	4,900	South & Southeast Asia	4,417	5.4 %	10.9 %	10.9 %		
5,580	62	5,518	—	5,518	East Asia & Australia	6,373	(12.4)%	(13.4)%	(13.4)%		
3,056	(99)	3,155	—	3,155	Latin America & Canada	2,941	3.9 %	7.3 %	7.3 %		
\$ 29,625	\$ (103)	\$ 29,728	\$ —	\$ 29,728	PMI Total	\$ 28,748	3.1 %	3.4 %	3.4 %		

Reconciliation of Operating Income to Operating Income, excluding Currency and Acquisitions

For the Years Ended December 31,

(in millions) (Unaudited)											
2018						2017		% Change in Operating Income			
Operating Income	Less Currency	Operating Income excluding Currency	Less Acquisitions	Operating Income excluding Currency & Acquisitions		Operating Income	Total	Excluding Currency	Excluding Currency & Acquisitions		
\$ 4,105	\$ 308	\$ 3,797	\$ —	\$ 3,797	European Union	\$ 3,691	11.2 %	2.9 %	2.9 %		
902	(101)	1,003	—	1,003	Eastern Europe	887	1.7 %	13.1 %	13.1 %		
1,627	(263)	1,890	—	1,890	Middle East & Africa	1,884	(13.6)%	0.3 %	0.3 %		
1,747	(124)	1,871	—	1,871	South & Southeast Asia	1,514	15.4 %	23.6 %	23.6 %		
1,851	(2)	1,853	—	1,853	East Asia & Australia	2,608	(29.0)%	(28.9)%	(28.9)%		
1,145	(32)	1,177	—	1,177	Latin America & Canada	997	14.8 %	18.1 %	18.1 %		
\$ 11,377	\$ (214)	\$ 11,591	\$ —	\$ 11,591	PMI Total	\$ 11,581	(1.8)%	0.1 %	0.1 %		

Operating Income Margin, excluding Currency and Acquisitions

For the Years Ended December 31,

(in millions)

(Unaudited)			2018			2017			% Points Change		
Operating Income excluding Currency (1)	Net Revenues excluding Currency (2)	Operating Income Margin excluding Currency	Operating Income excluding Currency & Acquisitions (1)	Net Revenues excluding Currency & Acquisitions (2)	Operating Income Margin excluding Currency & Acquisitions	Operating Income	Net Revenues	Operating Income Margin (3)	Operating Income Margin excluding Currency	Operating Income Margin excluding Currency & Acquisitions	
\$ 3,797	\$ 8,809	43.1 %	\$ 3,797	\$ 8,809	43.1 %	European Union	\$ 3,691	\$ 8,318	44.4 %	(1.3)	(1.3)
1,003	3,039	33.0 %	1,003	3,039	33.0 %	Eastern Europe	887	2,711	32.7 %	0.3	0.3
1,890	4,307	43.9 %	1,890	4,307	43.9 %	Middle East & Africa	1,884	3,988	47.2 %	(3.3)	(3.3)
1,871	4,900	38.2 %	1,871	4,900	38.2 %	South & Southeast Asia	1,514	4,417	34.3 %	3.9	3.9
1,853	5,518	33.6 %	1,853	5,518	33.6 %	East Asia & Australia	2,608	6,373	40.9 %	(7.3)	(7.3)
1,177	3,155	37.3 %	1,177	3,155	37.3 %	Latin America & Canada	997	2,941	33.9 %	3.4	3.4
\$ 11,591	\$ 29,728	39.0 %	\$ 11,591	\$ 29,728	39.0 %	PMI Total	\$ 11,581	\$ 28,748	40.3 %	(1.3)	(1.3)

(1) For the calculation of operating income, excluding currency and acquisitions, refer to the "Reconciliation of Operating Income to Operating Income, excluding Currency and Acquisitions" in this section.

(2) For the calculation of net revenues, excluding currency and acquisitions, refer to the "Reconciliation of Net Revenues to Net Revenues, excluding Currency and Acquisitions" in this section.

(3) 2018 Operating Income Margin for PMI Total was 38.4%, calculated as 2018 Operating Income of \$11,377 divided by 2018 Net Revenues of \$29,625.