



Q2 2019 Earnings - Quarterly Metrics		
Smokeable	Q2 2019	△ vs. Q2 2018
<i>Marlboro</i> Price Gap (vs. Lowest Effective)	31%	
<i>Marlboro</i> Net Pack Price	\$7.05	\$0.24
Lowest Effective Price	\$5.40	\$0.14
<u>Discount Segment Retail Share</u>	<u>24.2%</u>	<u>+0.5pp</u>
Major Manufacturer Branded Discount	15.5%	(0.4pp)
Deep Discount	8.7%	+0.9pp
PM USA Menthol Retail Share	10.0%	(0.1pp)
Estimated Weighted Average State Excise Tax per pack	\$1.79	\$0.04
2019 PM USA Wholesale Inventory Estimates:	(in billion units)	
End of Q2 2019	2.5	
End of Q1 2019	2.0	
End of Q2 2018	2.2	
End of Q1 2018	3.8	
2019 Cigarette Industry Wholesale Inventory (PM USA Estimates):	(in billion units)	
End of Q2 2019	5.5	
End of Q1 2019	4.7	
End of Q2 2018	5.0	
End of Q1 2018	8.0	

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

Smokeless	Q2 2019	△ vs. Q2 2018
<i>Copenhagen</i> Price Gap (vs Leading Discount Brand)	17%	
<i>Copenhagen</i> Retail Price	\$5.02	\$0.26
Leading Discount Brand	\$4.29	\$0.37

Note: All Smokeable and Smokeless prices reflect IRI restatement.

Other	Q2 2019	1H 2019
Capital Expenditures	\$41 million	\$79 million
Ongoing Depreciation and Amortization	\$53 million	\$106 million

Smokeable Shipping Days					
	Q1	Q2	Q3	Q4	FY
2018	65	65	65	66	261
2019	64	65	66	66	261