Reconciliations of the non-GAAP financial measures presented in the remarks by Howard Willard, Altria Group, Inc.'s (Altria) Chairman and Chief Executive Officer, during Altria's 2019 Fourth-Quarter and Full-Year Earnings Call.

Non-GAAP Financial Measures[1]

Altria's management reviews operating companies income (OCI), which is defined as operating income before general corporate expenses and amortization of intangibles, to evaluate the performance of, and allocate resources to, the segments. Altria's management also reviews OCI and OCI margins on an adjusted basis, which excludes certain income and expense items that management believes are not part of underlying operations. These items may include, for example, restructuring charges, asset impairment charges, acquisition-related costs, charges associated with tobacco and health litigation items, and resolutions of certain non-participating manufacturer (NPM) adjustment disputes under the Master Settlement Agreement (such dispute resolutions are referred to as NPM Adjustment Items). Altria's management does not view any of these special items to be part of Altria's underlying results as they may be highly variable, may be unusual or infrequent, are difficult to predict and can distort underlying business trends and results. Altria's management also reviews revenues net of excises taxes per 1000 units as the measurement of net price realization. Revenues net of excise taxes is calculated as net revenues less excise taxes billed to customers.

Altria's management believes that adjusted financial measures provide useful additional insight into underlying business trends and results, including the impact of pricing actions, 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 generally accepted accounting principles (GAAP) and may not be calculated the same as similarly titled measures used by other companies. These adjusted financial measures 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 measures are provided below.

Altria and Consolidated Subsidiaries, Selected Financial Data for Smokeable Products					
($ in millions)					
	Twelve Months Ended December 31,				
	2019	**2018**	**2017**	**2016**	**2015**
Net revenues	$ 21,996	$ 22,297	$ 22,636	$ 22,851	$ 22,792
Excise taxes	(5,166)	(5,585)	(5,927)	(6,247)	(6,423)
Revenues net of excise taxes	$ 16,830	$ 16,712	$ 16,709	$ 16,604	$ 16,369
Reported OCI	$ 9,009	$ 8,408	$ 8,426	$ 7,766	$ 7,690
NPM Adjustment Items	—	(145)	(5)	12	(97)
Asset impairment, exit, implementation and acquisition-related costs	92	83	28	110	—
Tobacco and health litigation items	72	103	72	88	127
Adjusted OCI[2]	$ 9,173	$ 8,449	$ 8,521	$ 7,976	$ 7,720

Altria and Consolidated Subsidiaries, Selected Financial Data for Smokeless Products
($ in millions)

	Twelve Months Ended December 31,				
	2019	2018	2017	2016	2015
Net revenues	$ 2,367	$ 2,262	$ 2,155	$ 2,051	$ 1,879
Excise taxes	(127)	(131)	(132)	(135)	(133)
Revenues net of excise taxes	$ 2,240	$ 2,131	$ 2,023	$ 1,916	$ 1,746
Reported OCI	$ 1,580	$ 1,431	$ 1,306	$ 1,172	$ 1,116
Asset impairment, exit, implementation and acquisition-related costs	26	23	56	53	4
Tobacco and health litigation items	—	10	—	—	—
Adjusted OCI[2]	$ 1,606	$ 1,464	$ 1,362	$ 1,225	$ 1,120

Altria and Consolidated Subsidiaries, Selected Financial Data for Smokeable & Smokeless Products
($ in millions)

	Twelve Months Ended December 31,				
	2019	2018	2017	2016	2015
Revenue net of excise taxes - Smokeable	$16,830	$16,712	$16,709	$16,604	$16,369
Revenue net of excise taxes - Smokeless	2,240	2,131	2,023	1,916	1,746
Revenues net of excise taxes - Combined	$19,070	$18,843	$18,732	$18,520	$18,115
Adjusted OCI[2] - Smokeable	$ 9,173	$ 8,449	$ 8,521	$ 7,976	$ 7,720
Adjusted OCI[2] - Smokeless	1,606	1,464	1,362	1,225	1,120
Adjusted OCI[2] - Combined	$10,779	$ 9,913	$ 9,883	$ 9,201	$ 8,840
Adjusted OCI Margins - Combined[3]	56.5%	52.6%	52.8%	49.7%	48.8%

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

	Fourth Quarter			Full Year		
	2019	2018	Change	2019	2018	Change
Net revenues	$ 5,159	$ 5,302		$ 21,996	$ 22,297	
Excise taxes	(1,168)	(1,291)		(5,166)	(5,585)	
Revenues net of excise taxes	$ 3,991	$ 4,011		$ 16,830	$ 16,712	
Shipment volume (units in millions)[4]	23,529	25,700		103,450	111,392	
Revenues net of excise taxes per 1000 units[5]	$ 169.62	$ 156.07	8.7%	$ 162.69	$ 150.03	8.4%

[1] Reconciliations of other non-GAAP financial measures can be found in today's earnings release.

[2] As a result of the January 1, 2018 adoption of Accounting Standards Update ("ASU") No. 2017-07, *Compensation Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* ("ASU No. 2017-07"), certain prior-year operating companies income amounts have been restated.

[3] Adjusted OCI margins are calculated as adjusted OCI divided by revenues net of excise taxes.

[4] Cigarettes volume includes units sold as well as promotional units, but excludes units sold for distribution to Puerto Rico, and units sold in U.S. Territories, to overseas military and by Philip Morris Duty Free Inc., none of which, individually or in the aggregate, is material to the smokeable products segment.

[5] Revenues net of excise taxes per 1000 units are calculated as revenues net of excise taxes divided by shipment volume multiplied by 1000.