

2012 Morgan Stanley Global Consumer Conference

November 13, 2012



Altria

Marty
Barrington

Chairman and
CEO



Altria

Safe Harbor Statement

Statements, including earnings guidance, in this presentation that are not reported financial results or other historical information are “forward-looking statements” within the meaning of Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current plans, estimates and expectations, and are not guarantees of future performance. They are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. Altria undertakes no obligation to publicly update or revise any forward-looking statement other than in the normal course of its public disclosure obligations. The risks and uncertainties relating to the forward-looking statements in this presentation include those described under the caption “Cautionary Factors That May Affect Future Results” in its Annual Report on Form 10-K for the year ended December 31, 2011 and its Quarterly Report on Form 10-Q for the period ended September 30, 2012.

Reconciliations of non-GAAP Financial measures included in this presentation to the most comparable GAAP measures are available on Altria’s website at altria.com.



Today's Remarks

- Strengths of Altria's diverse business model
- Plans to continue delivering strong returns to shareholders

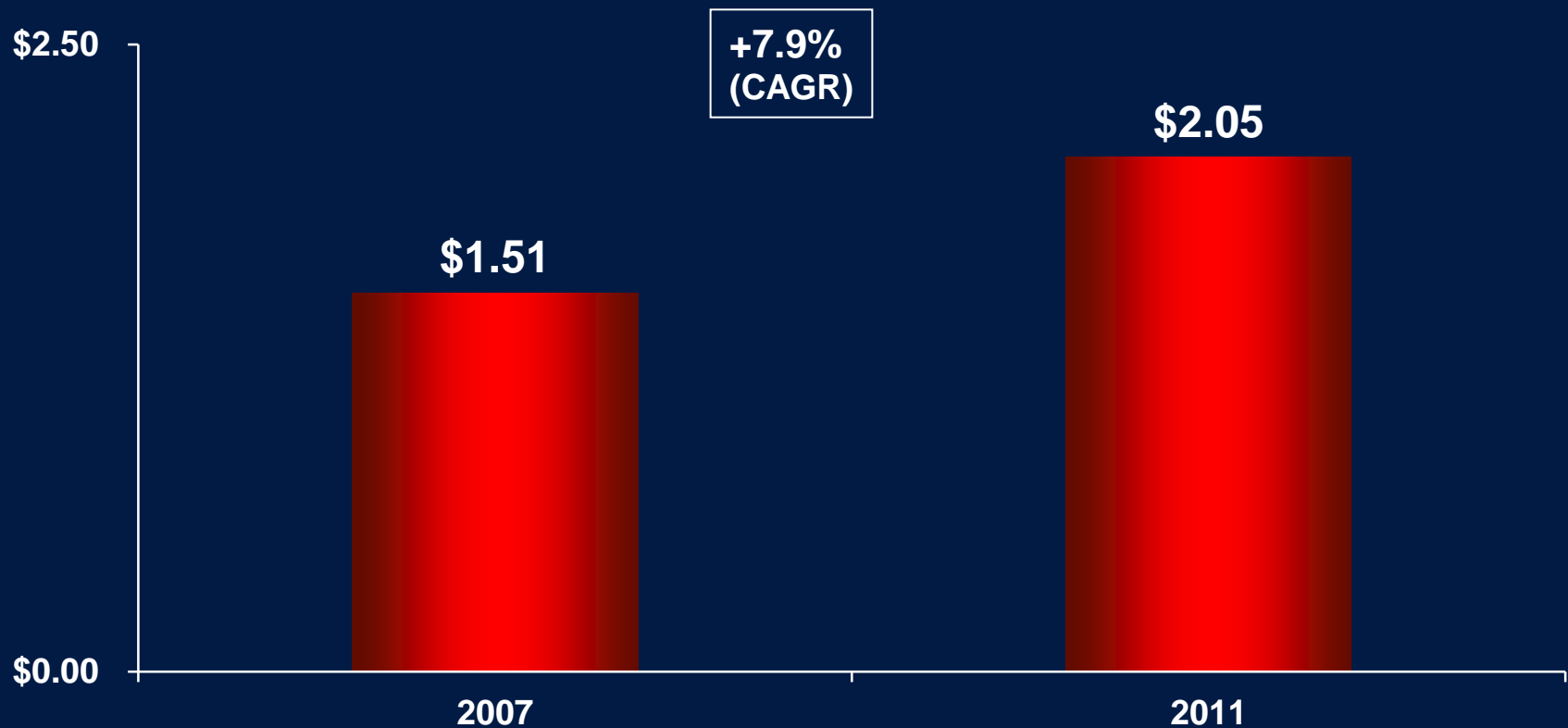


Goals

- Grow adjusted diluted EPS 7% to 9% over time
- ~80% dividend target payout ratio



Altria's Adjusted Diluted EPS*

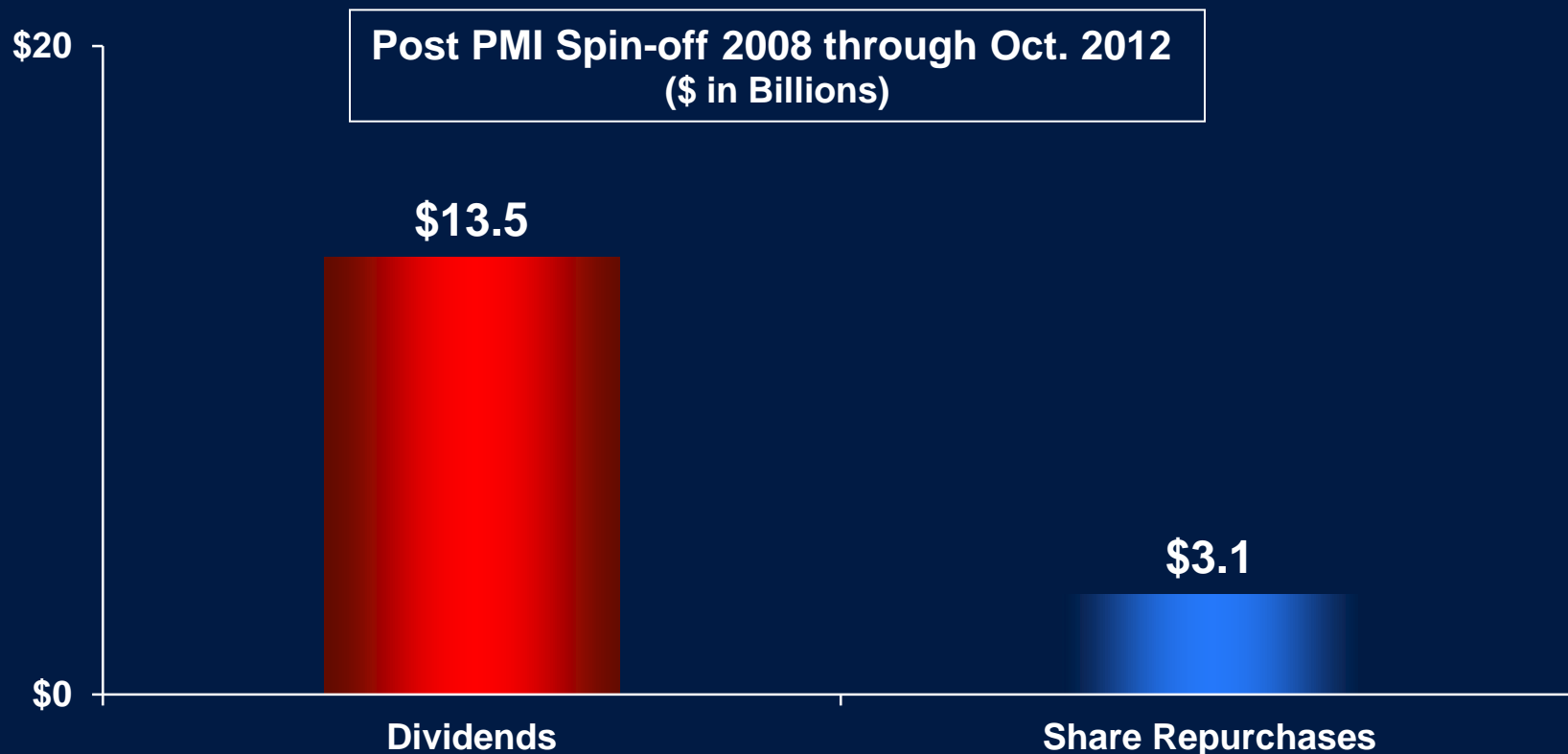


* For reconciliation of non-GAAP to GAAP measures visit www.altria.com



Source: Altria company reports

Dividends and Share Repurchases



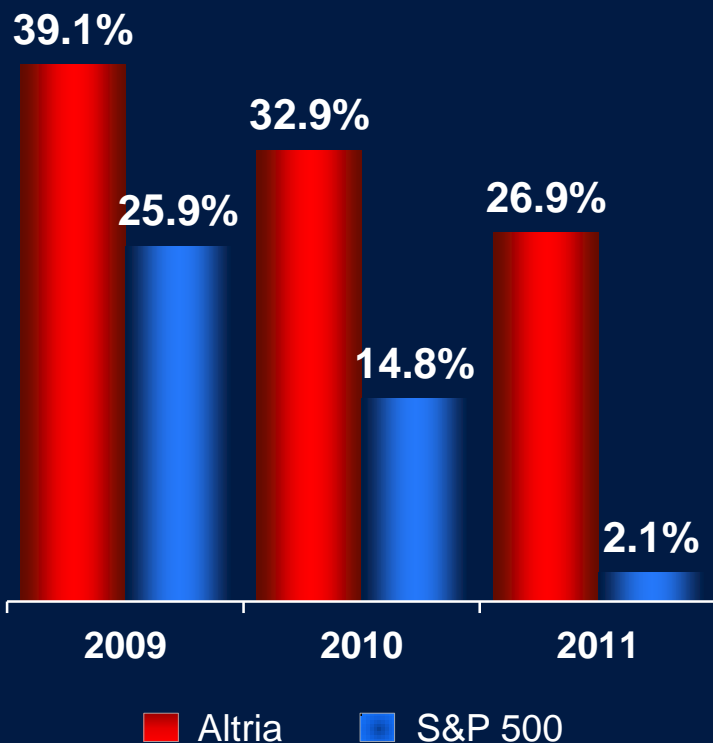
Note: PMI is Philip Morris International Inc.



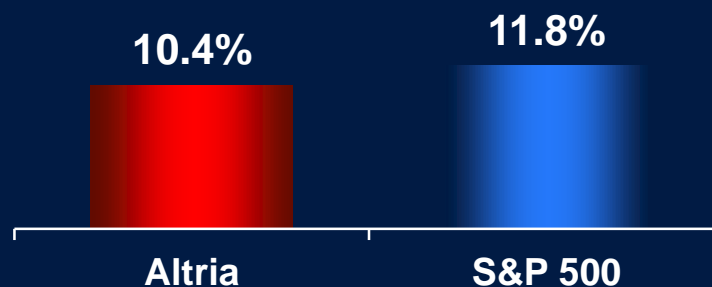
Source: Altria company reports

Altria vs. S&P 500 Index

Total Shareholder Return

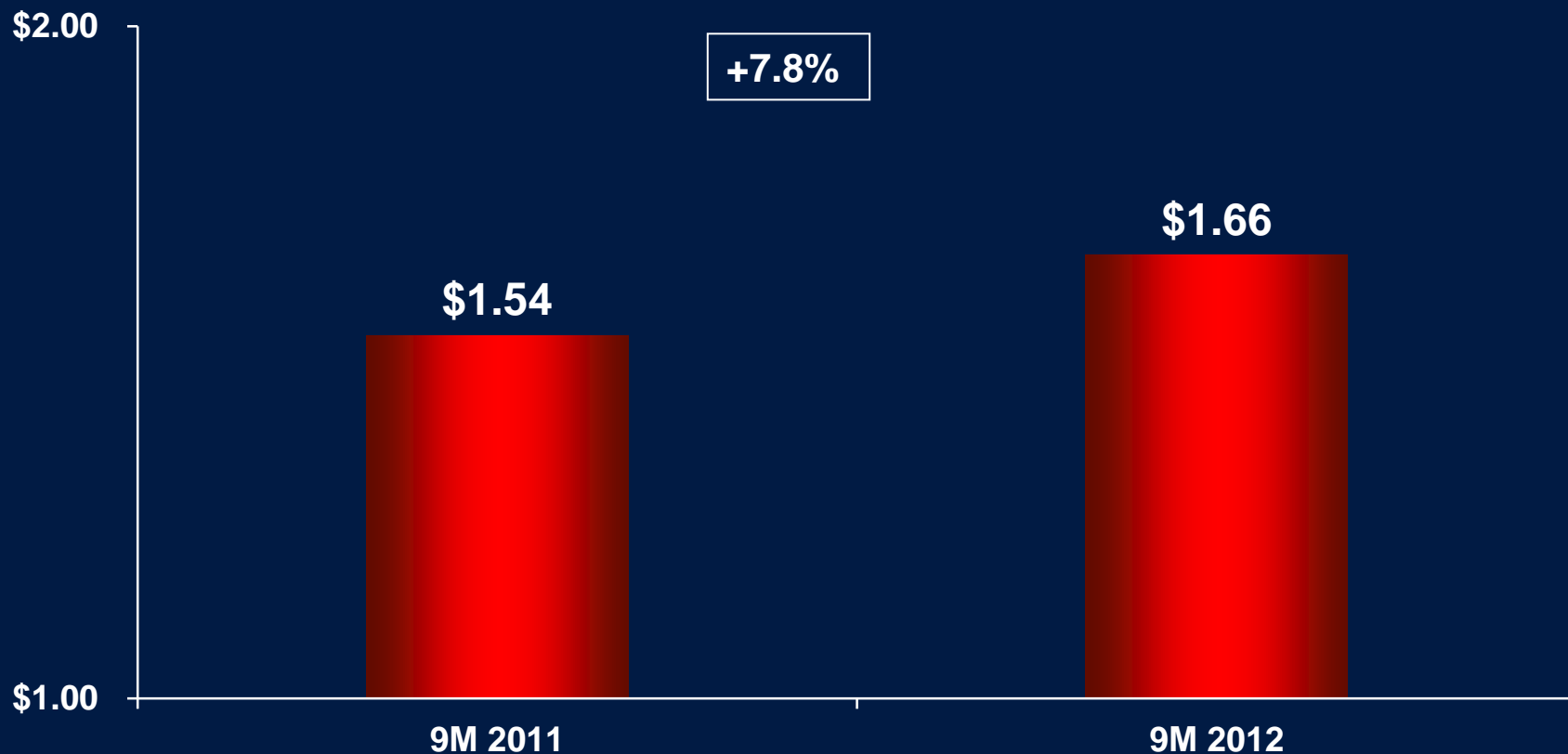


Total Shareholder Return (Nov. 9, 2012 - YTD)



Source: Bloomberg

Altria's Adjusted Diluted EPS*

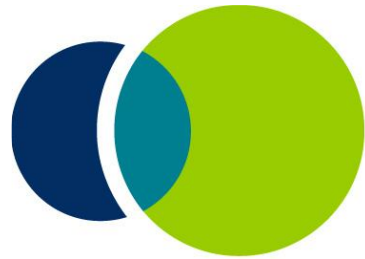


* For reconciliation of non-GAAP to GAAP measures visit www.altria.com



Source: Altria company reports

Corporate Responsibility



**Dow Jones
Sustainability Index**
Member 2012/13



FORTUNE
MOST ADMIRABLE COMPANIES

Note: Trademarks used for discussion purposes only. All third party trademarks remain the property of the respective owners.

Financial Results Driven By

- Strong performance of our companies' premium tobacco brands
- Growing alcohol assets
- Effective cost management
- Strong balance sheet



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Our Tobacco Companies' Brands

- Leading premium brands that compete in the largest and most profitable tobacco categories
- Strong equity
- Excellent adult consumer demographics
- Opportunities for growth
- Innovation



Smokeable Products Companies and Approach

Philip Morris USA
an Altria Company

Cigarettes

John Middleton 
an Altria Company

**Machine-made
Large Cigars**

Maximize Profitability

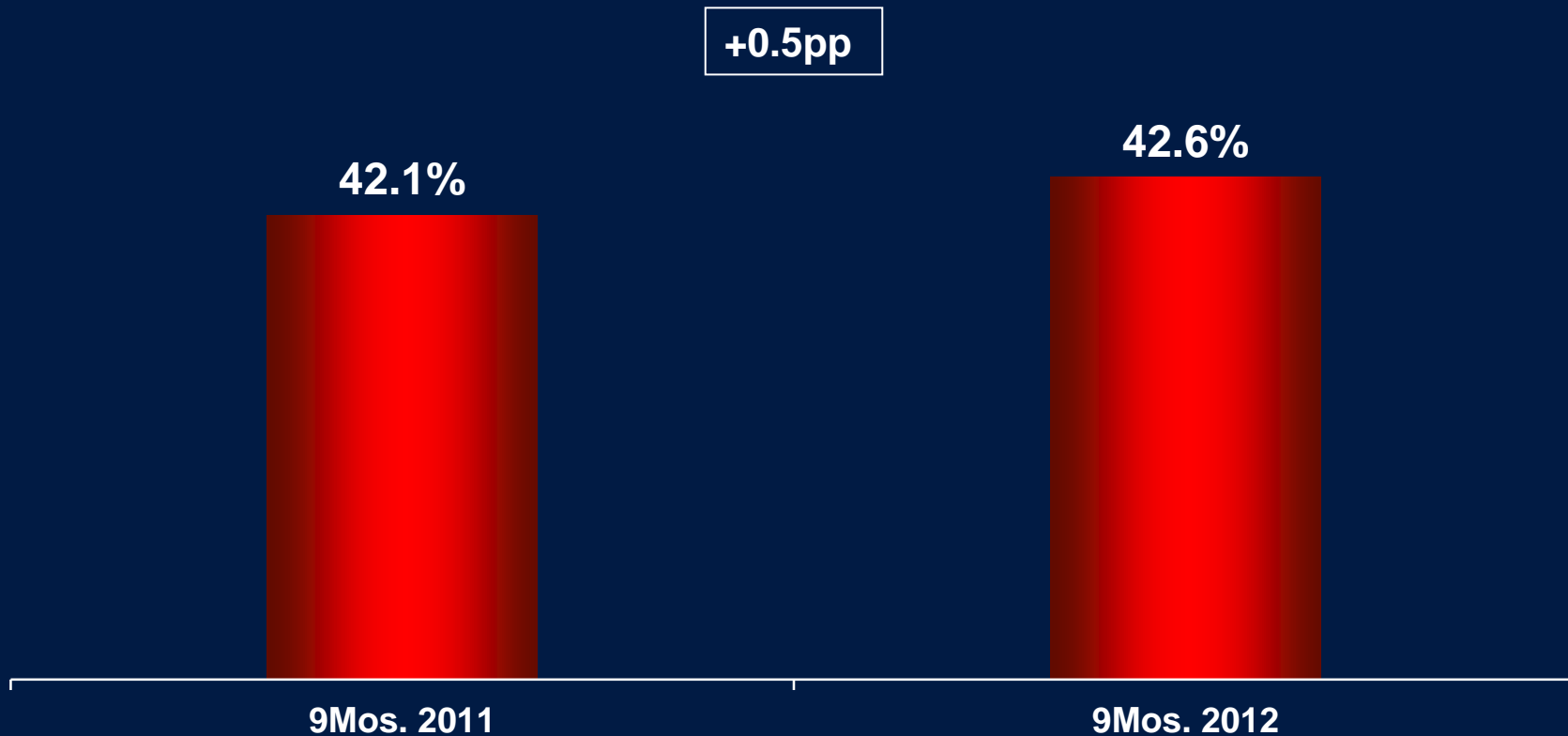
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Enhancing *Marlboro's* Value Equation



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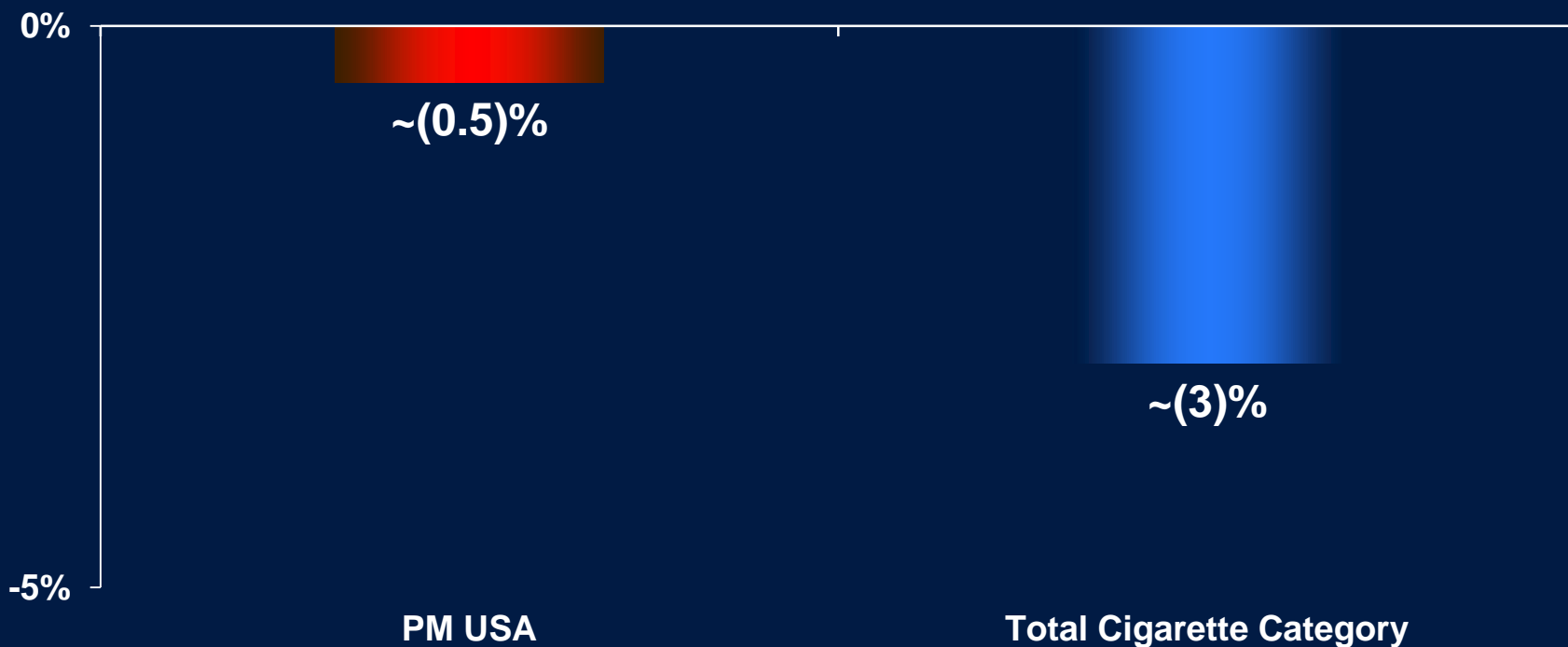
Marlboro's Retail Share



Source: IRP SymphonieIRI Group/Capstone Projected Retail Panel

Cigarettes Volume Change

9Mos. 2012 vs. 9Mos. 2011
(Percent)



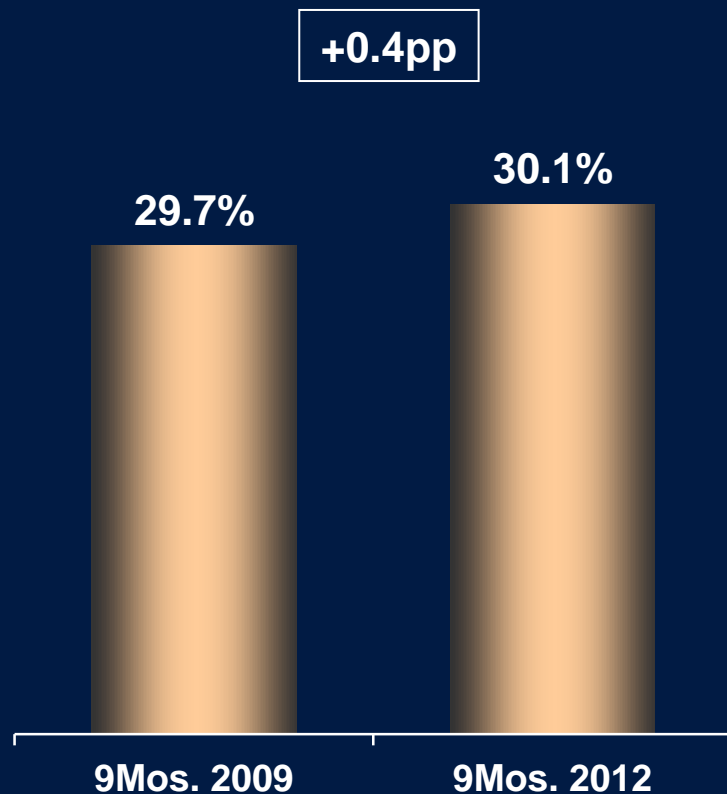
Note: Reflects adjusted volume that includes the impact of changes in trade inventories and other factors



Source: Altria company reports

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Black & Mild's Retail Performance



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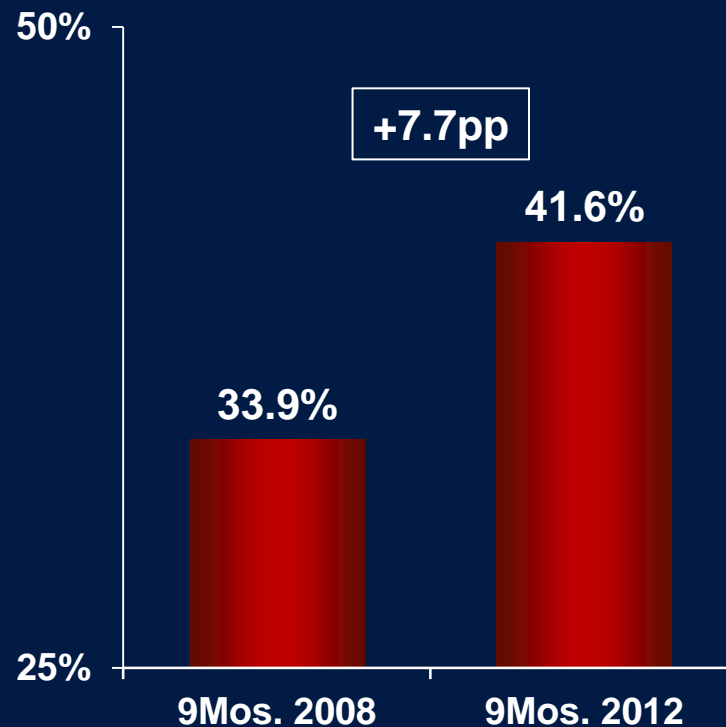
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Smokeable Products Segment's Results

Adjusted OCI*
(\$ in Billions)



Adjusted OCI* Margins
(Percent)



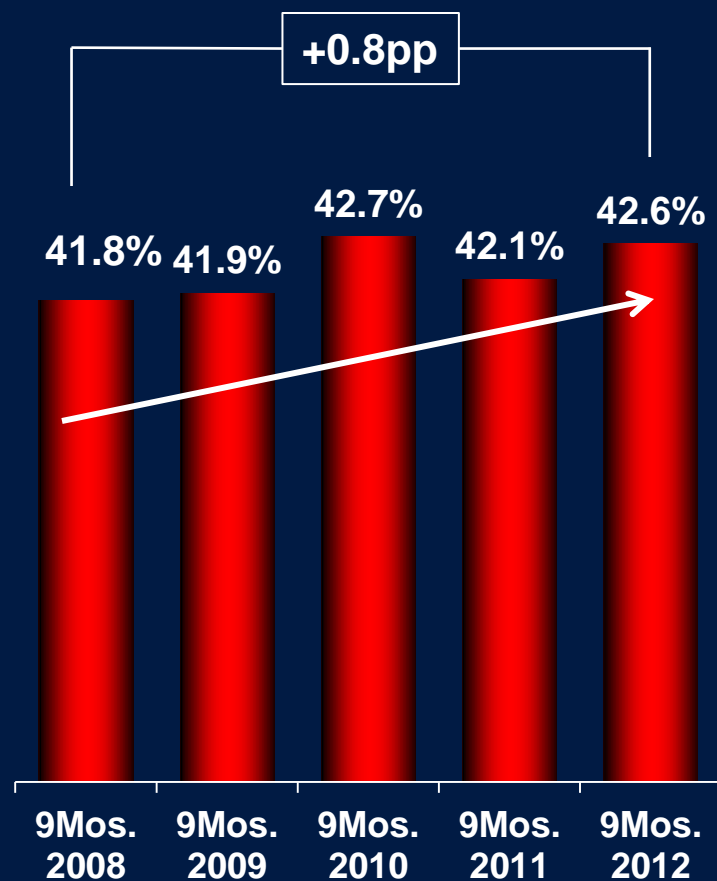
* For reconciliations of non-GAAP to GAAP measures visit www.altria.com

Note: 2008 nine-month segment data have been recast to conform with the current-period segment reporting.



Source: Altria company reports

Marlboro's Retail Share



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Income and Retail Share Results

- Achieved by balancing
 - Pricing
 - Equity-building activities
 - Promotional offers
 - Cost management



Smokeable Products Pricing

- Has been and will continue to be an important contributor to income growth
- Considerations include:
 - Economy
 - Competitive environment
 - Short- and long-term business objectives

**9Mos. 2012 vs. 9Mos. 2008
(CAGR)**

5.3%

**Revenues Net of Excise Taxes*,
per Thousand Units**

* For reconciliations of non-GAAP to GAAP measures visit www.altria.com

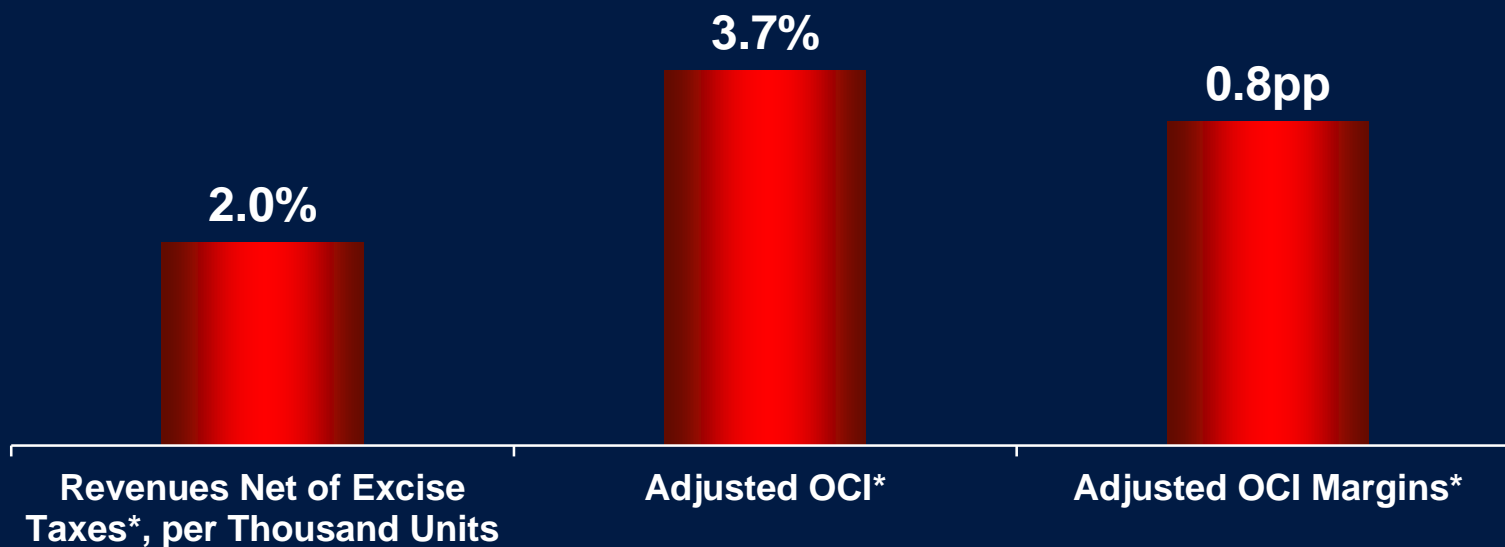
Note: 2008 nine-month segment data have been recast to conform with the current-period segment reporting.

Source: Altria company reports



Smokeable Products Segment – Metrics

9Mos. 2012 vs. 9Mos. 2011



* For reconciliation of non-GAAP to GAAP measures visit www.altria.com



Altria

Source: Altria company reports

Smokeless Products Companies and Approach



**Moist Smokeless Tobacco (MST)
and Snus**

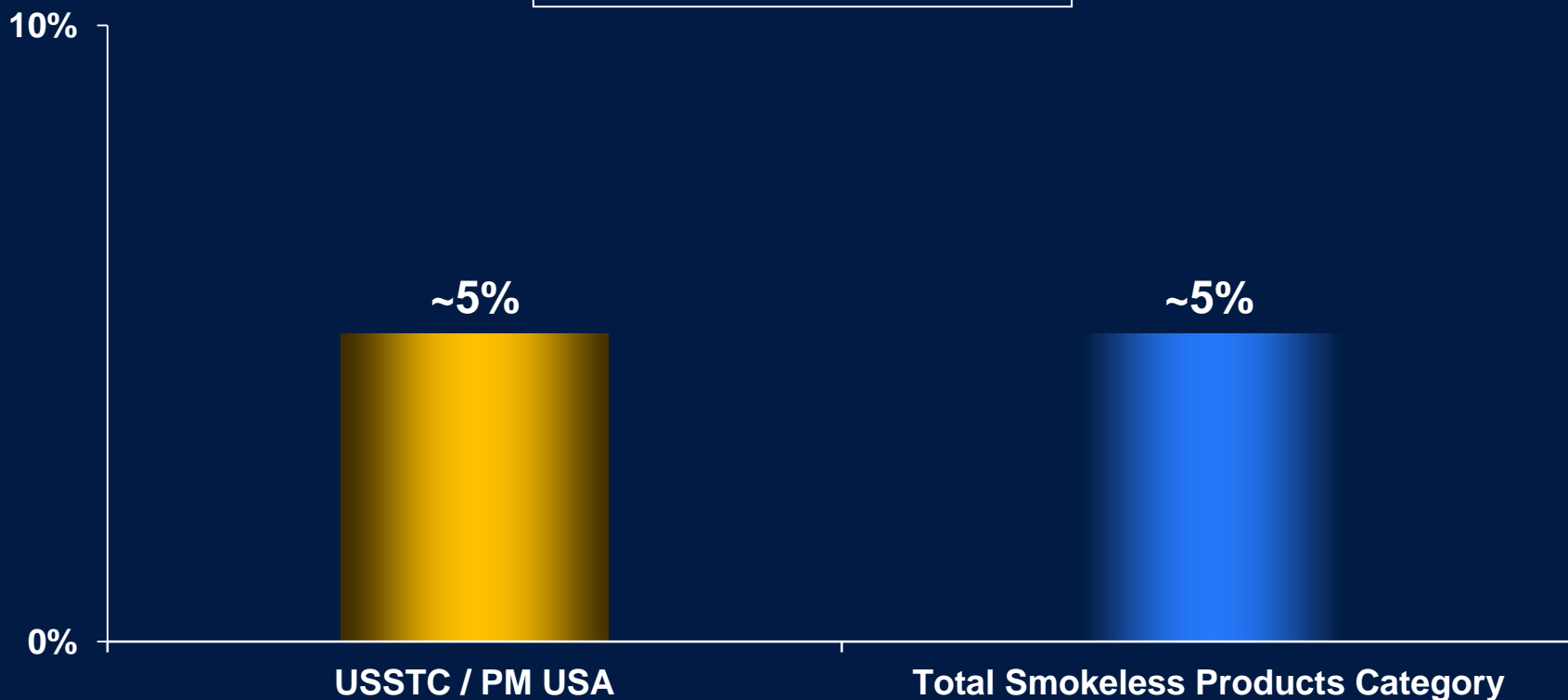


Snus

Increase Income Through Volume Growth

Smokeless Products Volume Change

9Mos. 2012 vs. 9Mos. 2011
(Percent)



Note: Reflects adjusted volume that includes the impact of changes in trade inventories and other factors



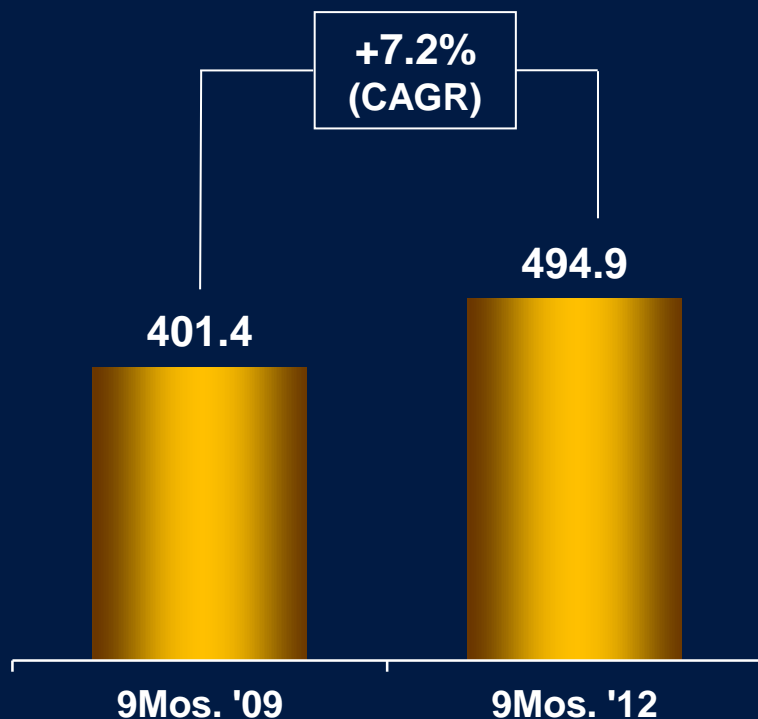
Altria

Source: Altria company reports

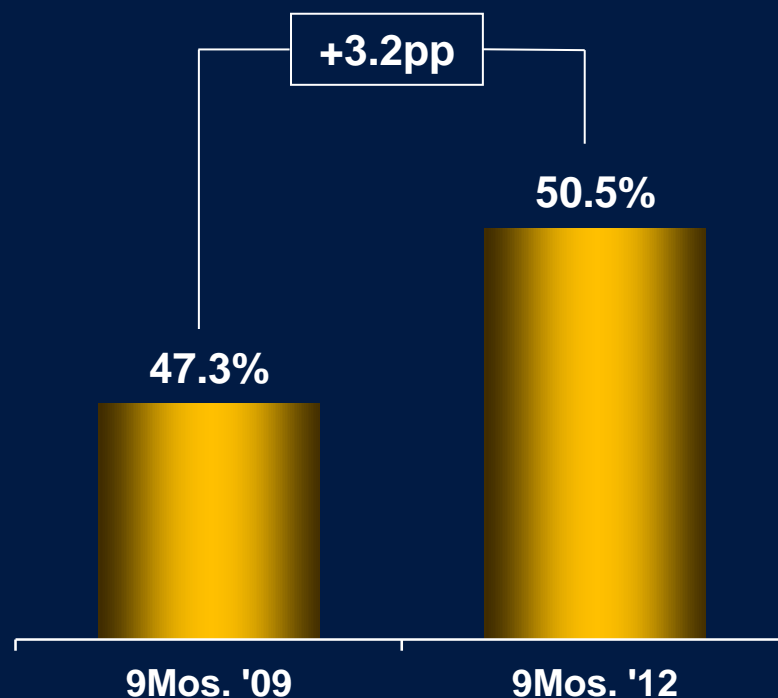
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Copenhagen and Skoal's Performance

Combined Volume (Cans in Millions)



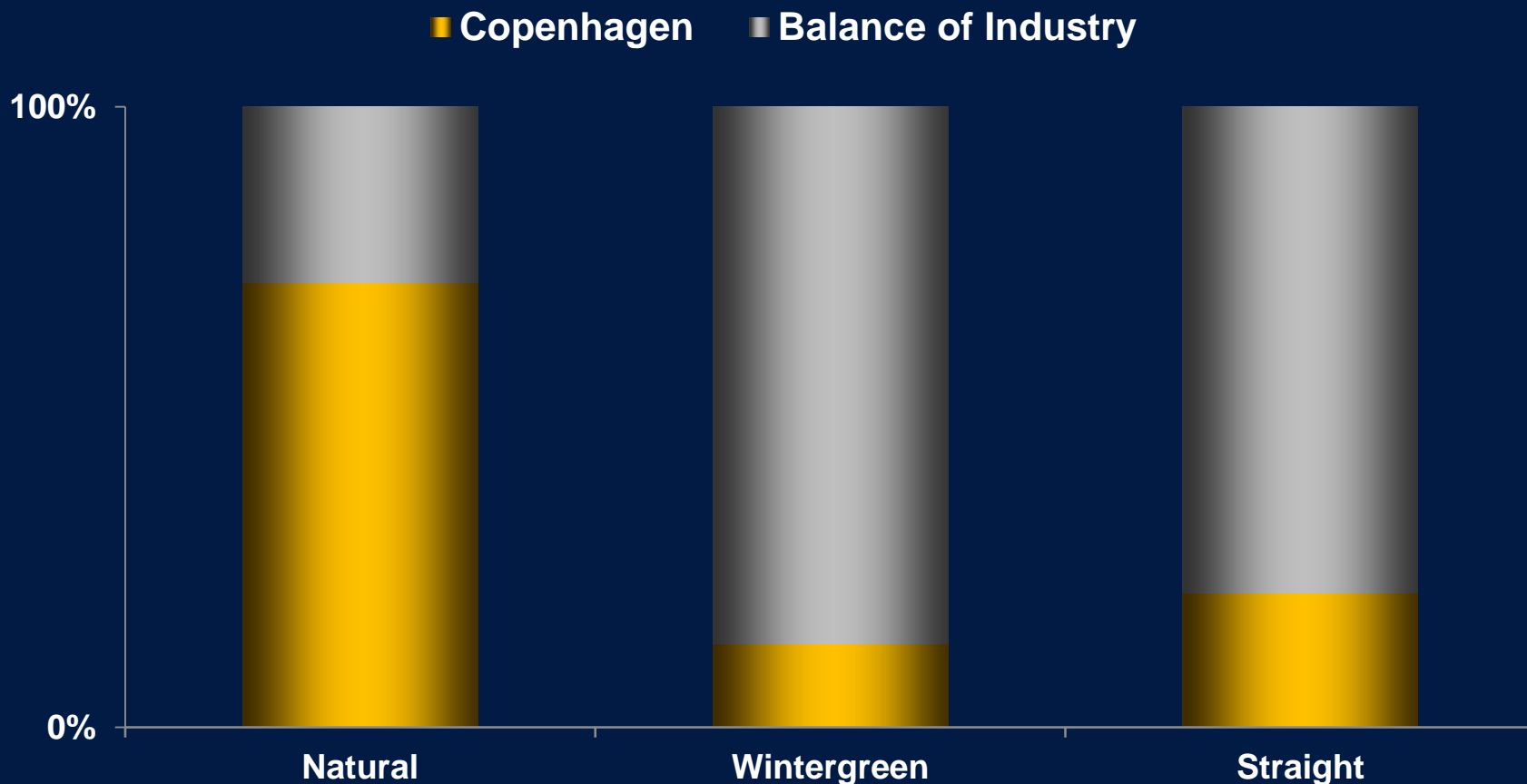
Combined Retail Share (Percent)



Source: SymphonyIRI Group InfoScan Smokeless Tobacco Database

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Smokeless Tobacco Segments

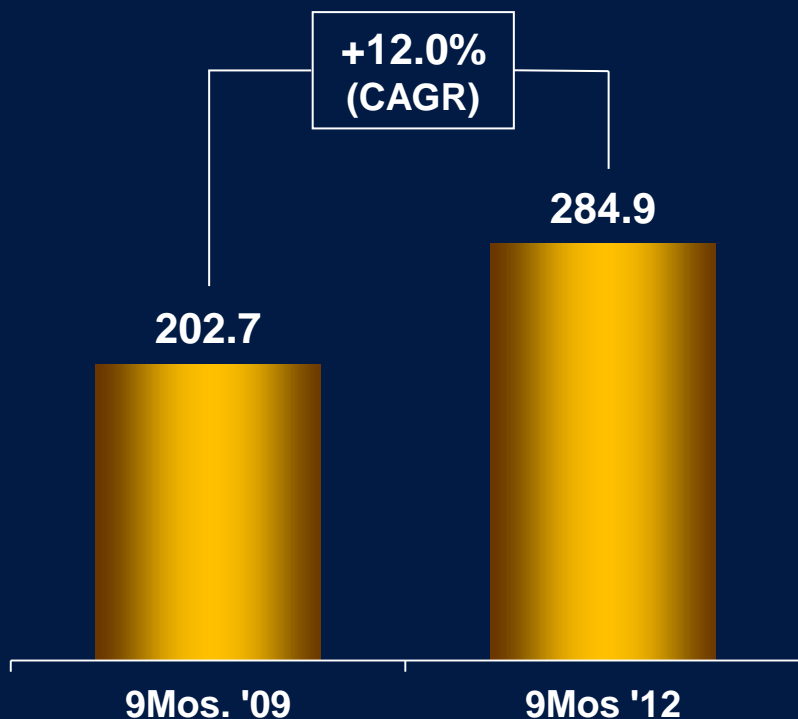


Source: SymphonyIRI Group InfoScan Smokeless Tobacco Database (9 Mos. 2012 – Retail Share)

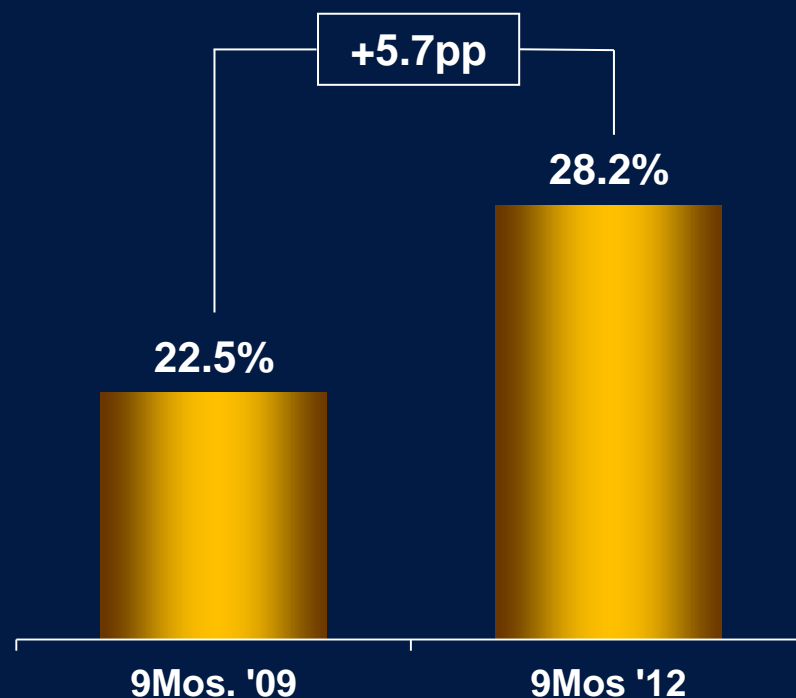
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Copenhagen's Performance

Volume
(Cans in Millions)



Retail Share
(Percent)



Source: Altria company reports; SymphonyIRI Group InfoScan Smokeless Tobacco Database

Adult Dippers' Perceptions of *Skoal*

- Modern
- Innovative
- Delivers unique, smooth smokeless tobacco experience
- Forms are easy to manage

This space is blank because brand images which appeared in the original presentation have been removed.



Source: ALCS MICR

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Skoal's Platform for Growth

The smokeless tobacco brand:

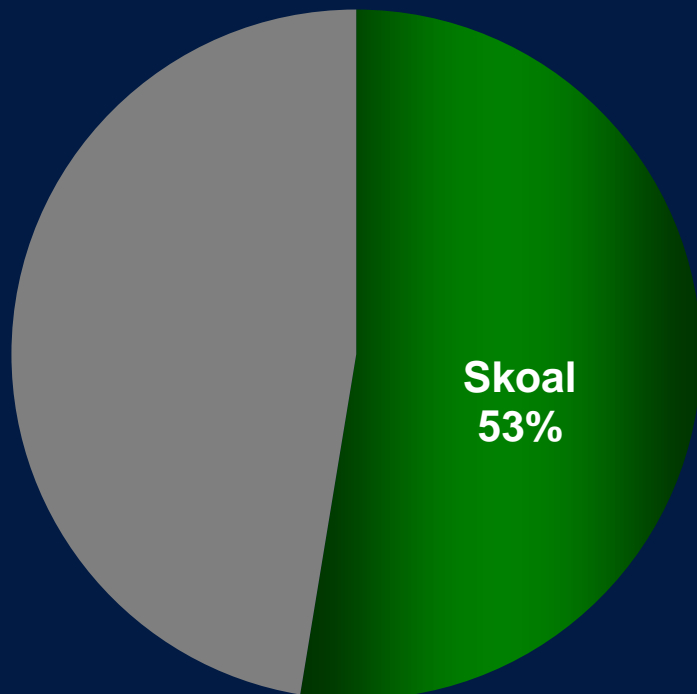
- Highest equity scores among 21 to 29 year old dippers
- #1 for Mint and Pouches
- Highest loyalty



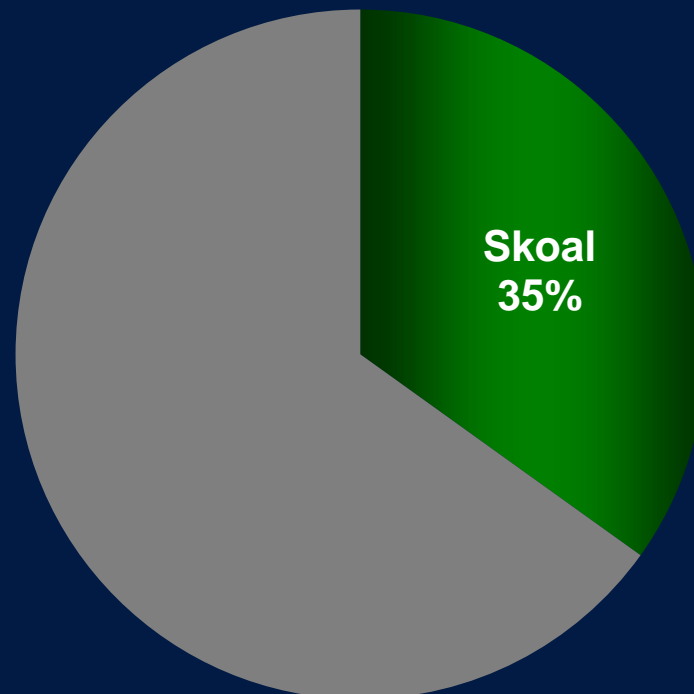
Source: ALCS MICR

Smokeless Tobacco Segments

**Mint Segment
(Flavor)**

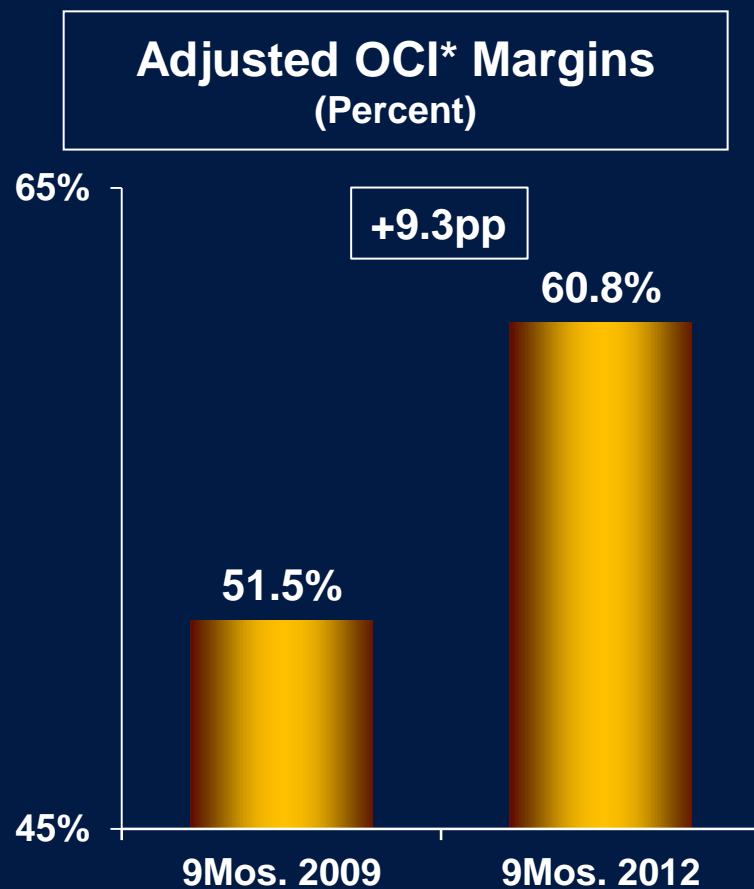
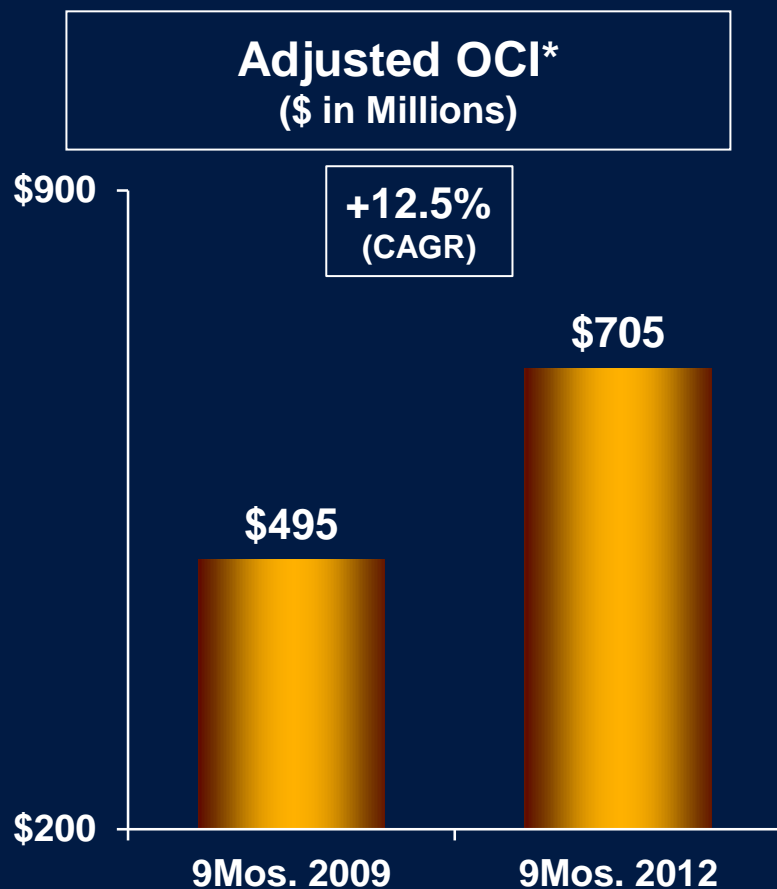


**Pouch Segment
(Form)**



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Smokeless Products Segment's Results



* For reconciliations of non-GAAP to GAAP measures visit www.altria.com



Source: Altria company reports

New Product Development

- ~30% of adult smokers are interested in a spit-free smokeless tobacco alternatives to cigarettes
- Pursuing approaches to develop and commercialize



Source: ALCS MICR

This space is blank because brand images which appeared in the original presentation have been removed.

New Product Development

- ~30% of adult smokers are interested in a spit-free smokeless tobacco alternatives to cigarettes
- Pursuing approaches to develop and commercialize
 - *Verve*
 - Partnerships: Okono A/S



Source: ALCS MICR

Growing Alcohol Assets

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Ste. Michelle
Wine Estates

SABMiller
Economic Interest



Altria

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Cost Management Strategy

- Supports:
 - Adjusted OCI growth
 - Investments in our companies' premium brands



Cost Reduction Programs

- Completed a \$1.5 billion program in Q3 2011
- Launched a new initiative in Q4 2011
 - Expect \$400 million in annualized savings by end of 2013
 - Focused on reducing cigarette-related infrastructure
 - Efforts across all our businesses



Efficient Corporate Structure

Tobacco
Operating
Companies

PM USA

- Brand Management
- Manufacturing

JMC

- Brand Management
- Manufacturing

USSTC

- Brand Management
- Manufacturing

Service
Companies

AGDC

- Sales, Distribution and Adult Consumer Engagement

ALCS

- Includes: Compliance, Finance, HR, Legal, R&D and Regulatory Affairs

Note: For illustration purposes only

Altria's Balance Sheet

- Secures the cash flow generated by its operating companies
- Protects Altria's investment grade credit rating



Economic Interest in SABMiller

- ~27% economic interest
- Strengthens Altria's balance sheet by providing:
 - Equity earnings
 - Cash flow

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Note: Trademarks used for discussion purposes only. All third party trademarks remain the property of the respective owners.



Balance Sheet Actions in 2012

- Completed a tender offer, repurchasing high coupon debt
- Issued new, lower cost debt
- These actions:
 - Reduced 2018 and 2019 debt maturity towers
 - Lowered future interest expense
 - Reduced weighted average coupon rate

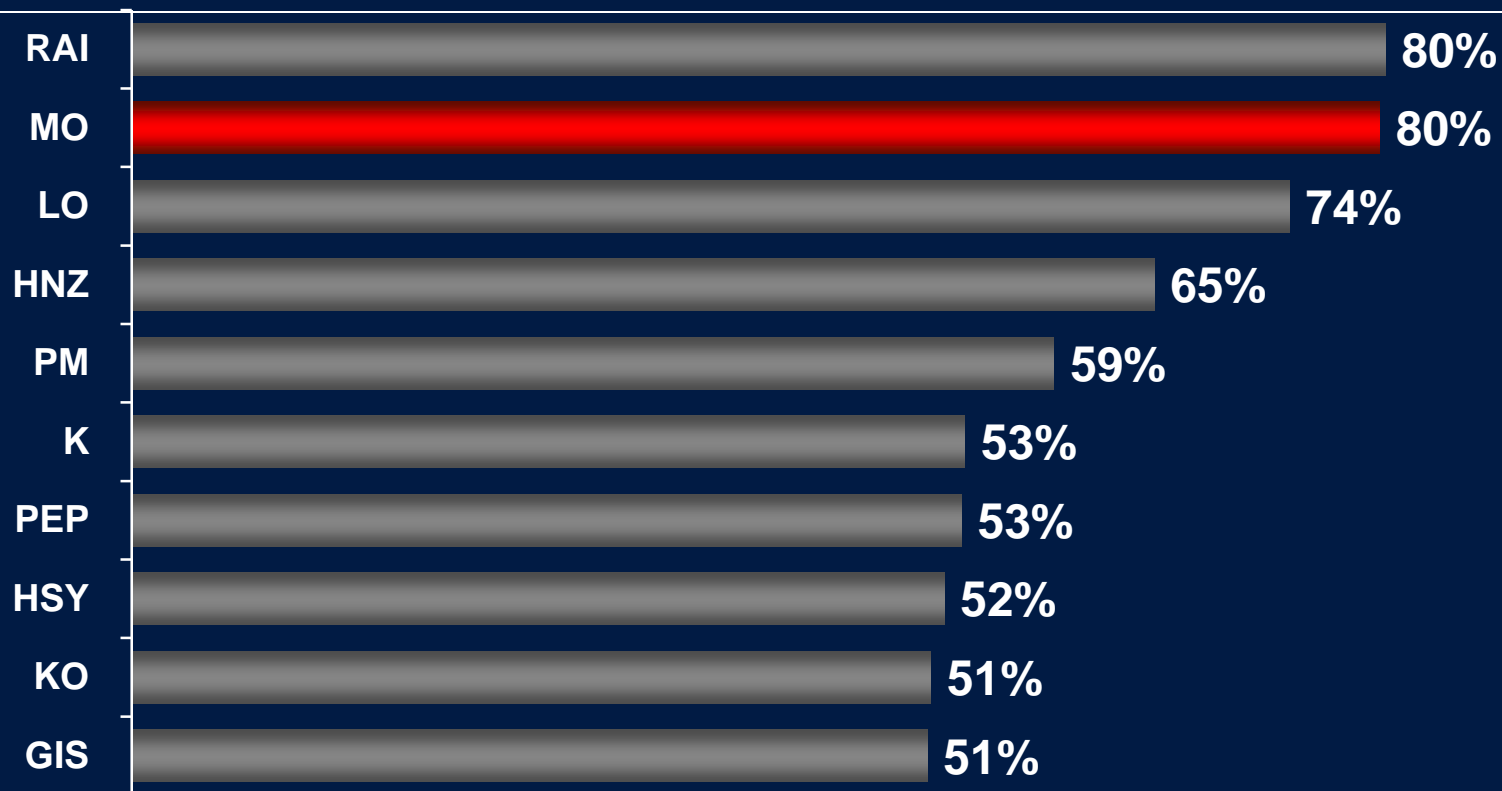
Returning Cash to Shareholders

- Dividends
- Periodic share repurchases



Dividend Payout Ratio

Dividend Payout Ratio – Food, Beverage and Tobacco Index



Note: Payout ratio ranks companies in the Food, Beverage and Tobacco Index in these respective categories as of Oct 31, 2012. Payout Ratios have been calculated using each company's current annualized dividend rate / 2012 Consensus Adjusted EPS estimate. HNZ and GIS consensus estimates are comprised of the fiscal quarters most closely resembling the 2012 calendar year.



Source: Bloomberg and Thomson Reuters

Dividend Growth

- Objective: Raise dividend in line with adjusted diluted EPS growth
- All dividend payments remain subject to the discretion of Altria's Board of Directors

Annualized Dividend



Source: Altria company reports

U.S. Dividend Tax Rates

- Scheduled to increase at end of 2012
- Altria is a member of a coalition to address this dividend tax hike



ASI The Alliance for
& Savings & Investment

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Returning Cash to Shareholders

- Dividends
- Periodic share repurchases
 - Completed first \$1 billion program in September 2011
 - Expanded second program to \$1.5 billion
 - Expect to complete program by end of Q2 2013



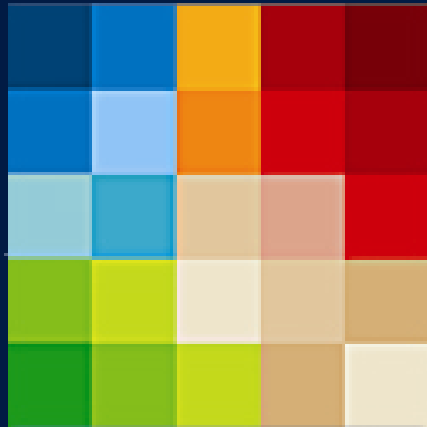
Managing Litigation Challenges

- Successfully managed tobacco and health litigation, notwithstanding the payment of some judgments
- Continue to face significant challenges
- Continue to defend claims vigorously
- Comprehensive litigation discussion in Form 10-Q

Altria's Business Platform

- Delivered excellent results
- Provides solid foundation for future growth
 - Leading premium brands with a focus on innovation
 - Growing alcohol assets
 - Ongoing cost management
 - Strong balance sheet, supporting cash returns to shareholders





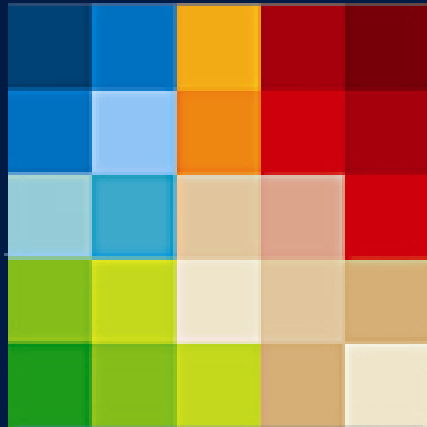
Altria

Regulation G Disclosure

- For reconciliations and further explanations of non-GAAP financial measures, visit: altria.com

The screenshot shows the Altria website's investor relations page. At the top, there is a search bar and navigation links for 'Follow Us On' (Twitter, Facebook) and 'Sign Up For Emails'. The main navigation menu includes 'ABOUT ALTRIA', 'RESPONSIBILITY', 'INVESTORS', 'CAREERS', and 'MEDIA'. The central banner features the heading 'STOCK & DIVIDEND' and a paragraph stating: 'Altria Group has outperformed the S&P 500 each year from 2000 through 2011 and, to date, increased its dividend 46 times in the last 43 years. We have increased our profitability primarily with investments in four strong premium tobacco brands, *Marlboro*, *Copenhagen*, *Skoal* and *Black & Mild*, while maintaining a focus on providing superior returns to shareholders.' A 'Learn More' button is provided below the text. Below the banner is a row of six thumbnail images with labels: 'Underage Tobacco Prevention', 'Tobacco Product Issues', 'Corporate Responsibility', 'Marketing Practices', 'Federal Regulation of Tobacco', and 'Stock & Dividend'. The 'Altria Today. Take a closer look.' section is also visible. On the left, the 'STOCK QUOTE' section shows Altria's stock price at \$33.89, up 0.44. Below it are 'INVESTOR TOOLS' including a Dividend Calculator, Investment Value Calculator, and Interactive Stock Chart. The 'SPOTLIGHTS' section features three articles: 'Altria Reports 2012 Second-Quarter and First-Half Results', 'Stop A Dividend Tax Hike', and 'Quitting Smoking'. The 'NEWS' section lists several recent announcements, including a 7.3% dividend increase and a new Hampshire Supreme Court decision. The footer contains contact information and copyright details for Altria Group, Inc.





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