

**Altria Group, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(in millions of dollars)

| for the years ended December 31,   | 2016      | 2015     | 2014     |
|--|-----------|----------|----------|
| <b>Cash Provided by (Used in) Operating Activities</b>                       |           |          |          |
| Net earnings   | \$ 14,244 | \$ 5,243 | \$ 5,070 |
| Adjustments to reconcile net earnings to operating cash flows:               |           |          |          |
| Depreciation and amortization  | 204       | 225      | 208      |
| Deferred income tax provision (benefit)                                      | 3,119     | (132)    | (129)    |
| Earnings from equity investment in SABMiller                                 | (795)     | (757)    | (1,006)  |
| Gain on AB InBev/SABMiller business combination                              | (13,865)  | (5)      | —        |
| Dividends from AB InBev/SABMiller  | 739       | 495      | 456      |
| Asset impairment and exit costs, net of cash paid                            | 106       | 1        | (9)      |
| Loss on early extinguishment of debt   | 823       | 228      | 44       |
| Cash effects of changes, net of the effects from acquisition of Green Smoke: |           |          |          |
| Receivables  | (27)      | 3        | (8)      |
| Inventories  | (34)      | (33)     | (184)    |
| Accounts payable   | (6)       | (7)      | (5)      |
| Income taxes   | (231)     | (12)     | 1        |
| Accrued liabilities and other current assets                                 | (113)     | 184      | (107)    |
| Accrued settlement charges   | 111       | 90       | 109      |
| Pension plan contributions   | (531)     | (28)     | (15)     |
| Pension provisions and postretirement, net                                   | (73)      | 114      | 21       |
| Other  | 120       | 201      | 217      |
| Net cash provided by operating activities                                    | 3,791     | 5,810    | 4,663    |
| <b>Cash Provided by (Used in) Investing Activities</b>                       |           |          |          |
| Capital expenditures   | (189)     | (229)    | (163)    |
| Acquisition of Green Smoke, net of acquired cash                             | —         | —        | (102)    |
| Proceeds from finance assets   | 231       | 354      | 369      |
| Proceeds from AB InBev/SABMiller business combination                        | 4,773     | —        | —        |
| Purchase of AB InBev ordinary shares   | (1,578)   | —        | —        |
| Payment for derivative financial instruments                                 | (3)       | (132)    | —        |
| Proceeds from derivative financial instruments                               | 510       | —        | —        |
| Other  | (36)      | (8)      | 73       |
| Net cash provided by (used in) investing activities                          | 3,708     | (15)     | 177      |
| <b>Cash Provided by (Used in) Financing Activities</b>                       |           |          |          |
| Long-term debt issued  | 1,976     | —        | 999      |
| Long-term debt repaid  | (933)     | (1,793)  | (825)    |
| Repurchases of common stock  | (1,030)   | (554)    | (939)    |
| Dividends paid on common stock   | (4,512)   | (4,179)  | (3,892)  |
| Premiums and fees related to early extinguishment of debt                    | (809)     | (226)    | (44)     |
| Other  | 9         | 5        | 7        |
| Net cash used in financing activities  | (5,299)   | (6,747)  | (4,694)  |
| Cash and cash equivalents:   |           |          |          |
| Increase (decrease)  | 2,200     | (952)    | 146      |
| Balance at beginning of year   | 2,369     | 3,321    | 3,175    |
| Balance at end of year   | \$ 4,569  | \$ 2,369 | \$ 3,321 |
| Cash paid: Interest  | \$ 775    | \$ 776   | \$ 820   |
| Income taxes   | \$ 4,664  | \$ 3,029 | \$ 2,765 |

See notes to consolidated financial statements.