Remarks by Michael E. Szymanczyk, Altria's Chairman and Chief Executive Officer at the 2011 Annual Meeting of Shareholders of Altria Group, Inc.

NOTE: The text of Mr. Szymanczyk's remarks delivered to shareholders at Altria's 2011 Annual Meeting of Shareholders is set forth below. Mr. Szymanczyk's actual remarks have been modified in this reproduction to delete the portions of his remarks relating to the conduct of business at the meeting. Following Mr. Szymanczyk's reproduced remarks below is a reference to Altria's Forward-Looking and Cautionary Statements and a section including reconciliations of non-GAAP finance measures to corresponding GAAP measures. A replay of the audio webcast of Altria's 2011 Annual Meeting of Shareholders is available at www.altria.com until Friday, June 17, 2011.

Richmond, Virginia
May 19, 2011

Good morning and welcome to Altria Group, Inc.'s (Altria) 2011 Annual Meeting of Shareholders. I now call the meeting to order. I am Mike Szymanczyk, Chairman of the Board and Chief Executive Officer of Altria. We welcome all shareholders, employees and retirees who are here today, as well as those who are joining us on the audio webcast.

2010 was a successful year for Altria as our diverse business platform delivered strong results in a challenging environment. In addition, Altria continued enhancing its regulatory affairs capabilities to adapt to U.S. Food and Drug Administration (FDA) oversight, improved its compliance and societal alignment initiatives, and achieved substantial success in managing litigation. The work of our employees across all these areas led to strong financial results for our shareholders. In 2010 Altria grew adjusted diluted earnings per share (EPS) by 8.6%, increased its dividend twice for a total increase of 11.8%, and delivered total shareholder returns of 32.9%.

Altria achieved these solid results by following its Mission and Values framework. Our Mission is to own and develop financially disciplined businesses that are leaders in responsibly providing adult tobacco and wine consumers with superior branded products. Our work supporting this Mission is guided by four Strategies:

- Invest in Leadership;
- Align with Society;
- Satisfy Adult Consumers; and
- Create Substantial Value for Shareholders.

Guiding our work in support of this Mission and Strategies are five core Values:

- Integrity, trust and respect;
- Passion to succeed;
- Executing with quality;
- Driving creativity into everything we do; and
- Sharing with others.

Altria's Mission and Values framework has for many years guided our employees on how to conduct business in a responsible manner. Because expectations for companies are constantly changing, last year we commissioned an outside study of the work our family of companies has done in support of this framework. We learned that our Mission- and Values- driven approach leads to best practices in many areas, and we are using the study's results to help guide future work that supports our Mission. Recently we published our first formal corporate responsibility report, which is available on altria.com, to help inform those outside the Company about our business practices.

We also evolved this framework to reflect the changing nature of our businesses, while retaining the elements that are essential to our long-term success. We updated several of our Mission goals to:

- Incorporate the wine business and guide its work in support of the Mission; and

- Reflect how we expect our tobacco businesses to operate in an FDA-regulated environment.

Our first strategy is investing in leadership, by developing our people, business partners, brands, and communities.

Altria's long-term success depends on hiring and developing talented people. Last year, despite the economic challenges that caused many companies to scale back their recruiting, we continued to hire highly qualified individuals through our "Can't Beat the Experience" program. We continued our work to promote diversity in hiring by supporting the Thurgood Marshall College Fund and the Hispanic Scholarship Fund. Recently, *DiversityInc* recognized Altria on its list of noteworthy companies for our commitment to diversity.

Altria supports its employees as we work to improve our communities with a variety of involvement programs. For instance, we expanded the employee-funded and managed Altria Companies Employee Community Fund to include our U.S. Smokeless Tobacco Company LLC (USSTC) and John Middleton Co. (Middleton) communities in Nashville, TN; Hopkinsville, KY; Franklin Park, IL; and King of Prussia, PA. In 2010, this fund supported 90 organizations in Central Virginia with grants totaling $2.3 million dollars. Last year, the Company also matched over $1.3 million in employee contributions to non-profit organizations. And employees from across our companies completed nearly thirty thousand hours of volunteer service in their communities. That included our senior executives, forty of whom served on non-profit boards.

Altria continued enhancing its culture of employee volunteerism with a variety of company sponsored events. A large number of employees, from our newest to our most senior executives, helped the Central Virginia Food Bank provide nourishing food to families and children in need. Last fall, we expanded our "Season of Service" to include thirteen volunteer events in six states and the District of Columbia. And over 350 employees participated in Keep America Beautiful's "Great American Cleanup" program through company-sponsored events in Illinois, Kentucky, Montana, Pennsylvania and Virginia.

In addition, Altria made nearly $50 million in cash and in-kind corporate contributions to non-profit organizations last year. This giving concentrated on our focus areas of Education, Positive Youth Development, Arts and Culture and the Environment. Altria's companies continued their support of academic institutions serving our communities such as J. Sergeant Reynolds Community College, the University of Virginia, Virginia Commonwealth University, Virginia

State University and the University of Washington to help prepare future workforces. Altria helped organizations such as the Virginia Museum of Fine Arts, the Kennedy Center and the National Gallery of Art deliver cultural programming to enhance the quality of life in our communities. In 2010, Altria provided grants to the National Fish and Wildlife Foundation to promote sustainable agricultural practices and water conservation, particularly within the Chesapeake Bay watershed. Altria was proud to help establish a United Service Organization (USO) center at the Richmond, VA airport to support about 2,500 troops per month who unselfishly serve our country.

Last November, Altria also established and published a Supplier Code of Conduct, which applies to all suppliers who provide goods and services to our family of companies. This Code demonstrates our continuing commitment to building relationships with suppliers who operate in a responsible manner, while providing more transparency to external stakeholders about what we expect.

For example, the Supplier Code emphasizes Altria's commitment to developing a diverse supplier base, including minority-owned and women-owned businesses. Altria's companies have long used inclusive practices to build supplier relationships, and we encourage our suppliers to do the same. Last year, the Virginia Minority Supplier Development Council presented Altria with the "Raising the Bar" award for our leadership in establishing the Minority Business Enterprise Executive Management program at the University of Richmond, which helps develop management expertise among minority business executives. Earlier this year, *DiversityBusiness.com* ranked Altria ninth on its list of "America's Top Organizations for Multicultural Business Opportunities."

Our Supplier Code also emphasizes the importance of the environmental, social and economic sustainability of our agricultural supply chain. Our operating companies work with the agricultural community to improve practices that contribute to sustainability.

For example, our tobacco businesses provide farmers with guidance on good agricultural practices (GAP) covering topics such as crop management, environmental stewardship and labor management. In 2010 we modified our GAP programs to promote improvements in farmers' tobacco-growing practices. These changes included requiring growers and leaf merchants to certify that tobacco was grown in compliance with GAP contractual requirements. An independent third party as well as company representatives perform GAP assessments, and we publish results on altria.com.

Ste. Michelle Wine Estates (Ste. Michelle) has long incorporated sustainable practices into its vineyards and operations. Most recently, Ste. Michelle's vineyards at Cold Creek, Canoe Ridge and Northstar achieved certification for their use of environmentally responsible agricultural methods. In addition, Stag's Leap Wine Cellars became a "Napa Green Certified Winery" last year. For context, less than 10% of the 500 wineries in the Napa Valley are certified under this program, which promotes environmentally sound agricultural practices.

We believe our efforts are making a difference, and so do others. Virginia State University recognized Altria as its Donor of the Year, and Keep America Beautiful acknowledged us with a Corporate Leadership Award. We're grateful for that kind of recognition and congratulate our terrific employees who make it happen.

Our second strategy is aligning with society by helping to resolve the societal issues relevant to our businesses. Pursuing that strategy requires that we have a leadership focus on compliance and maintain constructive relationships with external stakeholders.

Earlier this year we launched a refreshed Code of Conduct, which is the cornerstone of our compliance program. The Code provides guidance to our companies' employees on how to approach our work and operate with integrity, and reinforces everyone's duty to speak up if they see something that doesn't meet that standard. We refreshed the Code to better reflect our Mission and Values framework and the Principles that support our compliance program. A leading compliance and ethics organization assessed our refreshed Code, placing it in the top 1% of the over 1,600 Codes they have reviewed.

Strong compliance programs also include training that builds a culture of compliance at all levels. Last year employees from across our companies completed 24,000 hours of compliance training. For example, 250 directors and managers participated in Compliance Leadership Training. These leaders then reinforced the culture of compliance by facilitating programs with their organizations on compliance-related topics.

Altria periodically assesses the effectiveness of our Compliance and Integrity program, and in 2010 we engaged a third-party firm to do this. This assessment did not identify any gaps regarding the design or implementation of our program, noting that it contains many key elements of a model compliance program. Of course, no compliance program is perfect, and we continue to work on strengthening ours and gaining all employees' commitment to our culture of compliance.

We have continued enhancing our Regulatory Affairs capabilities to assist our tobacco operating companies' compliance with FDA regulation and succeed in the new regulatory environment. For example, we have actively communicated and engaged with FDA on numerous issues, as we believe that regulation is best achieved through an approach that draws upon the expertise and experience of all stakeholders, including regulated industry. We have made nearly 50 submissions, and our executives presented at 8 meetings. Copies of our public submissions and presentations are available on altria.com.

Over the last year, the FDA's Tobacco Products Scientific Advisory Committee (TPSAC) examined the use of menthol in cigarettes. TPSAC produced a report to FDA stating that "removal of menthol cigarettes from the marketplace would benefit public health in the United States," but it did not propose specific policy actions that FDA should take.

Philip Morris USA Inc. (PM USA) engaged in the TPSAC process by making several detailed scientific submissions and presentations. PM USA believes the collective science- and evidence-based information does not support removing menthol cigarettes or imposing additional restrictions that would deprive adult smokers of menthol cigarettes. PM USA also believes that banning menthol cigarettes could trigger a series of unintended consequences such as an increase in counterfeit and contraband cigarette activity.

The FDA has stated that it intends to consider the TPSAC's report, information submitted by industry and other science and evidence in determining what, if any, actions it may propose to take related to menthol. PM USA plans to continue working with FDA on this issue.

Kids should not smoke or use any tobacco products. Helping prevent the underage use of tobacco products is an important societal and business issue, which is why our tobacco operating companies work – like many others – to reduce it. Underage tobacco prevention begins by helping kids make good choices. Altria's companies are leading supporters of positive youth organizations like Boys and Girls Clubs of America, Ready By 21, and the National 4H Council. Programs supported by our tobacco companies in 2010 are projected to reach 1.3 million middle school kids, an increase of over 90% from 2007. These grants are also expected to reach over 830,000 adult influencers who work with kids to help them make good decisions.

We funded *LifeSkills* Training for 100,000 students in nearly 300 schools. This program has been found to reduce tobacco, alcohol and drug use among middle school kids by 50% to 75%. And our tobacco companies helped provide parents with the resources they need to help their kids make good choices by supporting the Search Institute's website called *ParentFurther*, which launched in May of last year. By the end of 2010, there were over 450,000 visits to the website, exceeding its goal by over 80%.

Efforts to reduce underage tobacco access and use are having an impact. The U.S. Government reported that nearly 90% of retailers in 2009 complied with laws prohibiting underage tobacco sales, versus 60% in 1997. And in December last year, the University of Michigan's Monitoring the Future Study reported that smoking rates were down by nearly two-thirds from their peak in the late 1990s among eighth graders, and by almost half among twelfth graders. While national surveys indicate that underage use of smokeless tobacco and cigars are also down from its peak rates, underage use of both products increased in the last year surveyed.

As we integrated the acquired Middleton and USSTC businesses into Altria's Mission framework over the past two years, we made a number of changes to their business practices intended to limit underage reach. These include:

- Limiting participation in adult one-to-one consumer engagement events to age-verified adults 21 years of age or older;

- Offering trade programs that encourage retailers to adopt responsible merchandising practices such as non-self-service for our tobacco products;

- Supporting the *We Card* program, which includes age-verification signage and trains store employees on how to prevent underage tobacco sales; and

- Encouraging the Search Institute to include information on smokeless tobacco and cigars on its *ParentFurther* website.

While we are pleased with the progress that has been made in reducing underage tobacco use over time, we recognize that more work must be done. We will continue to work, along with others, to make progress on this important issue.

Altria's third strategy is to satisfy adult consumers better than competitors by developing products and responsibly marketing our companies' brands. Our operating companies do this by focusing on the growth and development of premium brands to build their businesses.

Marlboro is the nation's largest cigarette brand, and has consistently built its share for over fifty years. **Marlboro**'s foundation is its strong brand equity. The brand reinforces this equity and remains relevant to adult smokers with innovative and responsible brand-building equity programs, as well as new products that expand into segments it historically underserved. Last year the brand executed brand-building programs such as "Flavor Break," "**Marlboro** Country Rewards" and "Outwit the West 4" to build equity among adult smokers. Since the beginning of

2010, the brand has introduced four "Special Blend" products and **Marlboro** Skyline Menthol. These programs and new products helped **Marlboro** achieve a record retail share in 2010. About 25% of adult smokers are interested in smokeless tobacco alternatives to cigarettes. Last year PM USA nationally expanded **Marlboro** Snus as a smokeless tobacco alternative for these adult smokers, and earlier this year introduced two new variants of **Marlboro** Snus in a bigger and bolder format.

Copenhagen is the moist smokeless tobacco brand that men find most satisfying. Its heritage dates back to 1822, and it has evolved its equity building programs and product offerings to remain relevant to today's adult dipper. Last year USSTC introduced a new equity building campaign inviting adult dippers to "Choose **Copenhagen**." The brand also expanded its offerings by introducing **Copenhagen** Long Cut Straight and Extra Long Cut Natural, which built upon the successful launch of Long Cut Wintergreen. These new products and equity building programs helped **Copenhagen** return to retail share growth in 2010 after many years of retail share declines.

Skoal is perceived by its adult dippers as a modern and innovative brand with great tasting products. For 2011, USSTC has a number of activities planned to enhance **Skoal**'s marketplace position. New equity communications reinforce the brand's core product attributes with "It's Smooth. It's **Skoal**." and the brand also introduced a line of smokeless tobacco products called **Skoal** X-tra. Many adult dippers are seeking more convenient smokeless products that deliver great taste, and **Skoal** introduced new snus varieties designed to appeal to these adult tobacco consumers.

Black & Mild is the best any day cigar adult smokers enjoy because of its combination of smooth taste and pleasant aroma. Adult cigar consumers like to try different varieties and blends, so new products play an important role in building **Black & Mild**'s equity and marketplace position. Last year, Middleton introduced **Black & Mild** Royale in both plastic- and wood-tip varieties, and this year is expanding nationally untipped cigarillo varieties in both Classic and Sweets blends. Middleton historically has not had significant entries in the untipped cigarillo segment, which represented over 50% of the machine-made large cigar category's volume in 2010, so Middleton expects these products to help build **Black & Mild**'s marketplace position.

A common thread that runs across all our tobacco businesses is that the majority of adult tobacco consumers make tobacco purchase decisions based in significant part on flavor preferences. Whether it is a complex tobacco flavor like **Marlboro** Red, a classic smokeless tobacco flavor like **Copenhagen** Wintergreen, or historical pipe-tobacco flavors like those found in Middleton's cigars, adult tobacco consumers want a wide variety of flavors in their tobacco products.

Our tobacco companies have taken a number of actions, which I previously described, designed to responsibly offer adult tobacco consumers the products they want, while also seeking to limit underage reach. In addition, our tobacco companies also:

- Supported enactment of the bill granting FDA regulatory authority over tobacco products;
- Communicate about the health effects of their products; and
- Because tobacco use is addictive and it can be very difficult to quit, our tobacco companies help connect adult tobacco consumers who have decided to quit with cessation information from public health authorities.

Our objective has been and continues to be giving adult tobacco consumers the products they want, while mitigating unintended consequences.

Altria's fourth strategy is to create substantial value for shareholders. Each of our operating companies has business objectives designed to maximize long-term business performance. We couple this with conservative management of our balance sheet, and the desire to maximize cash returns to shareholders over time.

PM USA's objective in the cigarette category is to grow income by expanding margins, while maintaining momentum on **Marlboro**. In 2010, **Marlboro**'s retail share grew 0.8 share points versus 2009 to a record 42.6%. The cigarette segment's adjusted operating companies income (OCI) grew by 4.5% from $5.3 billion in 2009 to $5.6 billion in 2010. The principal driver of this income growth was margin expansion, which grew from an adjusted 36.7% in 2009 to 38.3% in 2010.

USSTC and PM USA's objective in the smokeless category is to increase income by growing retail share moderately over time in order to grow volume. Smokeless segment retail share grew 0.7 share points to 55.3% from 2009 to 2010. This retail share growth enabled adjusted smokeless segment volume for USSTC and PM USA to grow approximately 8% versus the smokeless category's estimated growth rate of 7%. These retail share and volume results, combined with significant cost reductions, helped 2010 adjusted smokeless segment OCI increase by 30.9% from 2009 to $827 million.

Middleton's objective is to invest behind **Black & Mild** to build its position in the machine-made large cigar category in order to grow income over time. Middleton grew **Black & Mild**'s retail share and adjusted OCI from 2008 to 2009, but increased competitive activity following the 2009 federal excise tax (FET) increase caused its retail share and adjusted OCI to decline from 2009 to 2010. Middleton continues to make adjustments in its approach, and believes that **Black & Mild**'s strong brand equity and growth opportunities position it for long-term success.

Ste. Michelle's objective in the wine category is to grow income by executing its "String of Pearls" strategy to grow volume faster than the category. Ste. Michelle's retail unit volume outperformed the wine category's volume last year, and this strong volume performance helped grow income. From 2009 to 2010, the company grew its adjusted OCI by 13.7%.

Ongoing cost management remains important to creating shareholder value. Our companies have made excellent progress against our $1.5 billion dollar cost reduction program off of the 2006 cost base. Through the end of the first quarter of this year, we have delivered almost $1.4 billion in cost savings, and plan to complete this program by the end of the year.

Altria's balance sheet strength remains an important component of our ability to create shareholder value. Our balance sheet enables the company to maintain a strong liquidity position by preserving access to the capital markets for short- and long-term debt, and secures the cash flow generated by the operating companies. Altria's economic interest in SABMiller plc strengthens the financial profile of the company, has grown in value and adds to our earnings and cash flows.

Given our balance sheet strength, and our expectations for relatively modest internal uses of cash, we expect to continue returning the majority of cash flow generated from operations to our shareholders. Our 80% dividend payout target is among the highest of all companies in the S&P Food, Beverage and Tobacco Index, and our yield of 5.7% at the end of April 2011was also among the highest. Altria expects to raise its dividend in-line with its adjusted EPS growth, although all future dividend payments remain subject to the discretion of Altria's Board of Directors (Board). In addition to this strong dividend, from time to time the Company may also repurchase its stock as an additional way to add value to shareholders. Altria's Board has approved a $1.0 billion stock repurchase program, which we expect to complete by the end of the year.

This year's business environment is difficult, with high unemployment, low consumer confidence and intense competition. In addition, our tobacco businesses continue to adapt to FDA oversight and manage a challenging litigation environment. Despite these challenges, Altria's businesses are off to a good start, and results through the end of the first quarter give us confidence that we can achieve our adjusted diluted EPS growth objective for the year.

In the cigarette segment, PM USA grew adjusted OCI by 7.1% in the first-quarter versus the comparable year-ago period. **Marlboro**'s retail share declined versus the first quarter of 2010, but this comparison was impacted by the timing of new product launches. **Marlboro** showed strong retail share momentum through the first quarter, and is well-positioned for the balance of the year.

In the smokeless products segment, USSTC and PM USA grew first-quarter adjusted OCI by 3.2%, despite a difficult comparison in the prior-year period. **Copenhagen** and **Skoal** each grew sequential retail share versus the fourth quarter of 2010 and adjusted smokeless products shipment volumes grew versus the first quarter of 2010.

In the cigar segment, post-FET increase marketplace dynamics continued to impact Middleton's income results, requiring investments in promotional initiatives to defend **Black & Mild**. These investments helped Middleton's 2011 first-quarter retail share and shipment volumes increase versus the comparable quarter in 2010. Middleton is working to improve its marketplace position, but expects it will take some time and continue to impact the company's income results for the balance of the year.

And in the wine segment, Ste. Michelle grew first-quarter adjusted OCI by a strong 25% versus the prior-year period, driven in part by a mix shift to higher margin products.

These business results helped Altria grow its 2011 first-quarter adjusted diluted EPS by 4.8% versus the first quarter of 2010, and give us confidence that we can grow 2011 adjusted diluted EPS by 6% to 9% to a range of $2.01 to $2.07 from a base of $1.90 in 2010. This adjusted EPS growth, when combined with Altria's dividend, should deliver solid returns to our shareholders this year. Through the end of April, Altria's total shareholder return of 10.6% exceeded that of the S&P 500.

Over time, our business platform and strategies have delivered strong returns to our shareholders. From 2007 to 2010, adjusted diluted EPS grew at a compounded annual growth rate of 8.2%, and the dividend increased by 31% from the time of the Philip Morris International Inc. (PMI) spin-off through the end of last year. Altria's total shareholder return of 30.7% from the time of the PMI spin-off through the end of 2010 significantly outpaced the total returns of the S&P Food, Beverage and Tobacco Index, our Peer group and the S&P 500.

The totality of our results against our Mission received special recognition earlier this year. *Corporate Responsibility Magazine* ranked Altria 35th on its "100 Best Corporate Citizens List."

This ranking compares the largest publicly-traded companies in the United States on their performance in the areas of environment, climate change, employee relations, human rights, governance, philanthropy and financial performance.

We are pleased with these results, and believe that our executive compensation programs are an important contributor to strong shareholder returns. These programs are designed to align the interests of executives and shareholders, to promote the Company’s Mission and business strategies, and reward fairly the execution of those strategies. The Compensation Committee of Altria’s Board, which is composed entirely of independent directors, regularly reviews the Company’s executive compensation program’s objectives and design, and benchmarks them against other programs. These matters are fully discussed in the proxy.

Altria historically has been a good investment for shareholders, and we believe the company will continue to be a quality investment for the foreseeable future. We believe:

- We have a diverse business platform with strong positions in the largest and most profitable tobacco categories, anchored by the best brands;

- We have a strong balance sheet which enables us to return a large amount of cash to shareholders through dividends and periodic stock repurchases;

- We are well-equipped to deal with the changing regulatory environment and challenging legal issues; and most importantly,

- We have a talented Mission- and Values-driven organization.

Altria’s performance is the result of the hard work and dedication of the employees across all of our companies. They work every day to accomplish our Mission, live by our Values, and responsibly execute our business strategies to create value for shareholders. It is a privilege to lead such a talented group of people, and I thank them for their efforts.

I also want to thank the Richmond community, and all of the communities where our employees live and work, for their support. We will continue working hard to make them better places for all of us to live. Finally, I want to thank you, our shareholders, for your continuing trust and support. I speak for all employees when I say we will continue working hard on your behalf to deliver superior returns.

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Altria's Profile

Altria directly or indirectly owns 100% of each of PM USA, USSTC, Middleton, Ste. Michelle, and Philip Morris Capital Corporation. Altria holds a continuing economic and voting interest in SABMiller.

The brand portfolios of Altria's tobacco operating companies include such well-known names as **Marlboro**, **Copenhagen**, **Skoal** and **Black & Mild**. Ste. Michelle produces and markets premium wines sold under various labels, including **Chateau Ste. Michelle** and **Columbia Crest**, and it exclusively distributes and markets **Antinori**, **Champagne Nicolas Feuillatte** and **Villa Maria Estate** products in the United States. Trademarks and service marks related to Altria referenced in this release are the property of, or licensed by, Altria or its subsidiaries. More information about Altria is available at altria.com.

Forward-Looking and Cautionary Statements

This press release and today's remarks contain projections of future results and other forward-looking statements that involve a number of risks and uncertainties and are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995.

Important factors that may cause actual results and outcomes to differ materially from those contained in the projections and forward-looking statements included in this press release and today's remarks are described in Altria's publicly filed reports, including its Annual Report on Form 10-K for the year ended December 31, 2010, and Quarterly Report on Form 10-Q for the quarter ended March 31, 2011.

These factors include the following: Altria's tobacco businesses (PM USA, USSTC and Middleton) are subject to price competition; changes in adult consumer preferences and demand for their products; fluctuations in raw material availability, quality and cost; reliance on key facilities and suppliers; fluctuations in levels of customer inventories; the effects of global, national and local economic and market conditions; changes to income tax laws; legislation, including actual and potential federal and state excise tax increases; increasing marketing and regulatory restrictions; the effects of price increases related to excise tax increases and concluded tobacco litigation settlements on trade inventories, consumption rates and consumer preferences within price segments; health concerns relating to the use of tobacco products and exposure to environmental tobacco smoke; privately imposed smoking restrictions; and, from time to time, governmental and grand jury investigations.

Furthermore, the results of Altria's tobacco businesses are dependent upon their continued ability to promote brand equity successfully; to anticipate and respond to evolving adult consumer preferences; to develop new products and markets and to broaden brand portfolios in order to compete effectively; and to improve productivity.

Altria and its tobacco businesses are also subject to government regulation, including broad-based regulation of PM USA and USSTC by the FDA. Altria and its subsidiaries continue to be subject to litigation, including risks associated with adverse jury and judicial determinations, courts reaching conclusions at variance with the companies' understanding of applicable law, bonding requirements in the limited number of jurisdictions that do not limit the dollar amount of appeal bonds and certain challenges to bond cap statutes.

Altria cautions that the foregoing list of important factors is not complete and does not undertake to update any forward-looking statements that it may make other than in the normal course of its public disclosure obligations. All subsequent written and oral forward-looking statements attributable to Altria or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements referenced above.

Non-GAAP Financial Measures

Altria reports its consolidated financial results in accordance with U.S. generally accepted accounting principles (GAAP). Today's remarks may contain various operating results on both a reported basis and on an adjusted basis, which excludes items that affect the comparability of reported results. Altria's management reviews OCI, which is defined as operating income before corporate expenses and amortization of intangibles, to evaluate segment performance and allocate resources. Altria's management also reviews OCI, operating margins and EPS on an adjusted basis, which excludes certain income and expense items that management believes are not part of underlying operations because such items can obscure underlying business trends. Management believes it is appropriate to disclose these measures to help investors analyze underlying business performance and trends. Such adjusted measures are regularly provided to management for use in the evaluation of segment performance and allocation of resources.

Reconciliations of adjusted measures to corresponding GAAP measures are provided below.

Altria Group, Inc. and Subsidiaries, Selected Financial Data by Reporting Segment for the Full-Years ended December 31,
(dollars in millions)

Full-Year Results

	Cigarettes		Smokeless Products		Cigars			Wine	
	2010	2009	2010	2009*	2010	2009	2008	2010	2009*
Reported OCI	$ 5,451	$ 5,055	$ 803	$ 381	$ 167	$ 176	$ 164	$ 61	$ 43
Asset impairment, exit, integration and implementation costs	99	254	22	236	2	9	18	2	9
UST acquisition-related costs	-	-	2	15	-	-	-	20	21
Adjusted OCI	$ 5,550	$ 5,309	$ 827	$ 632	$ 169	$ 185	$ 182	$ 83	$ 73
Adjusted OCI Percentage Change vs. Prior-year Period	4.5%		30.9%		(8.6)%	1.6%		13.7%	
Net Revenues	$ 21,631	$ 20,919							
Excise taxes	7,136	6,465							
Revenues Net of Excise Taxes	$ 14,495	$ 14,454							
Adjusted OCI Margins [1]	38.3%	36.7%							
Adjusted OCI Margin Change versus Prior-year Period	1.6pp								

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

*Altria acquired UST and its smokeless tobacco and wine businesses on January 6, 2009. As a result, USSTC and Ste. Michelle's financial results from January 6 through December 31, 2009 are included in Altria's 2009 segment results for the year ended December 31, 2009.

Note: OCI is defined as operating companies income

Altria Group, Inc. and Subsidiaries, Selected Financial Data by Reporting Segment for the Quarters ended March 31,
(dollars in millions)

First-Quarter Results

	Cigarettes		Smokeless Products		Cigars		Wine	
	2011	2010	2011	2010	2011	2010	2011	2010
Reported OCI	**$ 1,347**	**$ 1,230**	**$ 193**	**$ 178**	**$ 22**	**$ 47**	**$ 12**	**$ 7**
Asset impairment, exit, integration and implementation costs	2	29		9	-	1	-	1
UST acquisition-related costs	-	-	1	1	-	-	3	4
Adjusted OCI	**$ 1,349**	**$ 1,259**	**$ 194**	**$ 188**	**$ 22**	**$ 48**	**$ 15**	**$ 12**
Adjusted OCI Percentage Change vs. Prior-year Period	**7.1%**		**3.2%**		**(54.2)%**		**25.0%**	

Altria's Diluted EPS Results Excluding Special Items

	Full Year		
	2010	2009	2007
Reported diluted EPS from continuing operations	**$ 1.87**	**$ 1.54**	**$ 1.48**
Asset impairment, exit, integration and implementation costs	0.04	0.19	0.15
Interest on tax reserve transfers to Kraft Foods Inc. (Kraft)	-	-	0.02
Recoveries from airline industry exposure	-	-	(0.06)
UST acquisition-related costs*	0.01	0.06	-
SABMiller special items	0.03	-	-
Tax items	(0.05)	(0.04)	(0.09)
Adjusted diluted EPS from continuing operations	**$ 1.90**	**$ 1.75**	**$ 1.50**
Adjusted diluted EPS Percentage Change versus Prior-year Period	**8.6%**		
Compound Annual Growth Rate versus 2007	**8.2%**		

* Excludes exit and integration costs

Altria's Full-Year Diluted EPS Guidance Excluding Special Items			
	Full Year		
	2011 Guidance	2010	Change
Reported diluted EPS	**$2.00 - $2.06**	**$ 1.87**	**7% to 10%**
Asset impairment, exit, integration and implementation costs	-	0.04	
UST acquisition-related costs*	-	0.01	
SABMiller special items	0.01	0.03	
Tax items	-	(0.05)	
Adjusted diluted EPS	**$2.01 - $2.07**	**$ 1.90**	**6% to 9%**

* Excludes exit and integration costs

Altria's First-Quarter Diluted EPS Results Excluding Special Items			
	First Quarter		
	2011	2010	Change
Reported diluted EPS	**$ 0.45**	**$ 0.39**	**15.4%**
Asset impairment, exit, integration and implementation costs	-	0.01	
SABMiller special items	(0.01)	0.01	
Tax items	-	0.01	
Adjusted diluted EPS	**$ 0.44**	**$ 0.42**	**4.8%**

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