

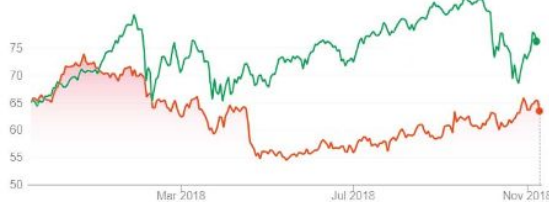
Analysts

Chan Chee Wai
Wang Zhenlin
Lian Jiade
Marcus Tan Xue Kang

Basic Information

Last Closed Price \$62.88
12M Target Price \$51.54
+/- Potential -15.9%
Bloomberg Ticker MO:NYSE
GICS Sector Consumer Staples
GICS Sub-Industry Consumer Products

1Y Price Altria (Red) v S&P500 (Green)



Company Description

Altria Group, Inc. is an American corporation and one of the world's largest producers and marketers of tobacco, cigarettes and related products. It operates worldwide and is headquartered in Henrico County, Virginia.

Key Financials

Market Cap **115.876B**
Basic Shares O/S 1.89B
Free Float 1.89B
52-Wk High-Low **53.91 - 74.38**

	FY16A	FY17A	FY18E	FY19E
Revenue	25744	25576	23978	22493
Gr Rate (%)	1.2	-0.7	-6.3	-6.2
EBITDA	22803	10742	9093	8539
Margin (%)	88.6	42.0	37.9	38.0
Net Income (US\$ M)	14244	10227	6567	6128
Margin (%)	55.3	40.0	27.4	27.2
ROA	0.37	0.23	0.15	0.14
ROE	1.12	0.67	0.39	0.35
EV/EBITDA	6.8	12.5	11.2	11.9
P/E Ratio	10.1	11.9	17.6	18.3
D/E Ratio	108.7	84.7	78.3	74.5

Key Executives

Howard A. Willard Chairman & CEO III
William F. Gifford, Jr. Vice Chairman & CFO
Jody L. Begley Senior Vice President

Altria in smokes

We are initiating coverage of Altria Group Inc. with a Sell rating and a \$51.54 12M price target.

2Q18 Earnings Review

- Total revenues is \$6.3 billion, a 5.4% fall yoy; revenues after excise taxes falls by 3.7% yoy. Fall in revenue primarily due to lower net revenues in the smokeable products segment.
- Diluted EPS falls 3.9% yoy to \$0.99, primarily due to the 2017 gain on the AB InBev/SABMiller business combination, increasing investment in the innovative tobacco, and a fall in operating companies income (OCI) in the smokeable products segment.
- In the smokeable product segment, the revenue is \$5.5 billion, a 6.3% fall yoy; reported OCI is \$2.2 billion, a 1.0% fall yoy; this is mainly driven by the poorer market outlook.
- In the smokeless product segment, the revenue is \$579 million, a 2.7% rise yoy; the OCI is \$377 million, a 8.6% rise yoy. The rise in operating income of smokeless product segment is mainly due to a higher pricing despite a falling sales volume and a lower operating expense

Investment Thesis

- Strategic shift of revenue stream to smokeless products likely to backfire due to FDA's strong stance. Due to declining consumption of their core smokable products, Altria has invested heavily on smokeless products. However this shift faces many obstacles due to regulation and compliance by FDA.
- The constantly falling profit will lead to a fall in cash deposit. This may cause Altria's ability to pay off long-term debt to decrease. Given its current asset even less than the current debt, the fall in cash deposit will not only affect the company's short-term operation (less capable to pay for operation cost), but also cause investors' sentiment to turn lower, thus affecting its stock price
- Being faced with decreasing sales, Altria adopts an unsustainable strategy by continuing to grow its EPS by raising cigarette prices and repurchasing shares.

Catalysts

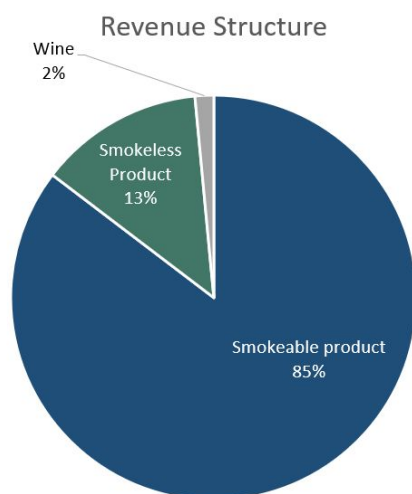
- Continual falling revenue of 6% will trigger downward rating on Altria multiples.
- Re-rating of stock by investors due to unsustainable payout ratio when dividends are cut

Investment Risks

- FDA measures for reducing smoking may be ineffective. This is evident in a report that highlights how 90% of the smoking population started smoking before the legal age even with stricter enforcements. Demand for cigarettes may not be curbed even with regulation.
- FDA might not impose ban on e-cigarettes as we expected, leading to the exponential increase in sales and revenue for the innovative products segment.
- Share buyback and consistently high dividend payout may sustained share price in the foreseeable future

All these figures

Figure 1. Revenue by Products, FY17



Source: Altria annual report 2017

Altria Subsidiaries

Altria

Philip Morris USA

U.S. Smokeless Tobacco Co.

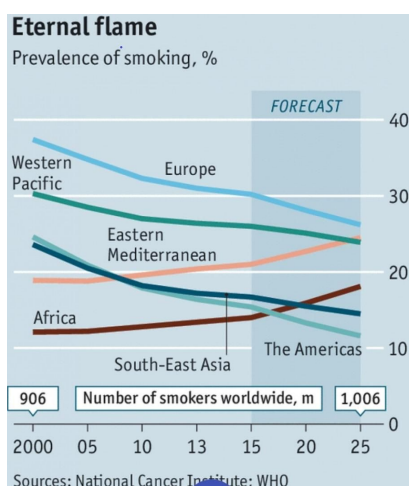
John Middleton

Nat Sherman

Nu Mark

Ste. Michelle Wine Estates

Downtrend in prevalence of smoking worldwide
Fig 2



Source: National cancer institute

Company Overview

Altria Group, Inc., incorporated on August 27, 2009, is a holding company, with revenues primarily generated from USA. The Company's segments include smokeable products, smokeless products and wine. The Company's subsidiaries include Philip Morris USA Inc. (PM USA), which is engaged in the manufacture and sale of cigarettes in the United States; John Middleton Co. (Middleton), which is engaged in the manufacture and sale of machine-made cigars and pipe tobacco, and UST LLC (UST), which, through its subsidiaries, including U.S. Smokeless Tobacco Company LLC (USSTC) and Ste. Michelle Wine Estates Ltd. (Ste. Michelle), is engaged in the manufacture and sale of smokeless tobacco products and wine. Its other operating companies include Nu Mark LLC (Nu Mark), a subsidiary that is engaged in the manufacture and sale of tobacco products, and Philip Morris Capital Corporation (PMCC), a subsidiary that maintains a portfolio of finance assets.

2Q18 Earnings Review

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Industry Outlook

Downward trend in smoking rates across the US

Smoking rate in the US has fallen 25% since 2005 to merely 15.5% in 2018. This is due to higher cigarette prices and the increased awareness about adverse health effects from smoking such as cancer. In addition advertisement and product display regulations have been tightened over the years to shield youths from exposure to these products.

More tightening of Taxes and Regulation

The smoking industry has been hit by rounds of hiking in excise tax and tobacco taxes over the years (fig 3). This has discouraged smoking substantially as it has become an economical burden. Several states in the US are also working to raise the minimum legal age for sale of tobacco products to 21 by enacting Tobacco 21 ordinance to delay vulnerable youths from picking up smoking at an early age.

Rising demand of E-cigarettes

There has been shift in demand from smokeable products to less harmful alternatives such as E-Vap and heated cigarettes as consumers are increasingly informed about the diseases associated with traditional cigarettes such as cancer and heart attack. This has led to a shift in demand for E-cigarettes and sales are projected to increase in the years ahead. However, in recent years

Fig 3
Cigarette tax increased by state per year in the US

Average State Cigarette Tax: \$1.78 per pack

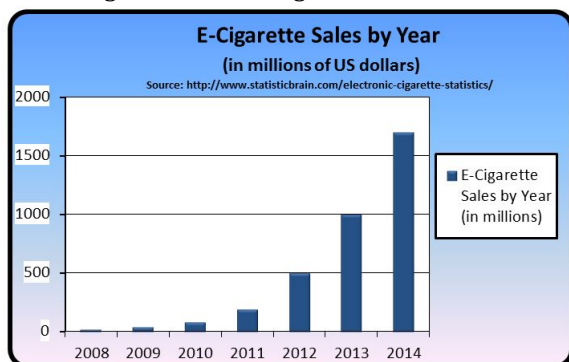
Year	State	Effective Date of Increase	Amount of Increase	Tax Rate After Increase
2018	Washington, DC	10/1/2018	\$2.00	\$4.50
	Guam	8/24/18	\$1.00	\$4.00
	Kentucky	7/1/2018	50 cents	\$1.10
	Oklahoma	7/1/2018	\$1.00	\$2.03
	Oregon	1/1/2018	1 cent	\$1.33
2017	California	4/1/2017	\$2.00	\$2.87
	Connecticut	12/1/2017	45 cents	\$4.35
	Delaware	9/1/2017	50 cents	\$2.10
	Minnesota	1/1/2017	4 cents	\$3.04
	Northern Mariana Isl.	9/16/17	\$1.00	\$3.75
	Puerto Rico	5/1/2017	\$1.70	\$5.10
	Rhode Island	8/16/2017	50 cents	\$4.25
2016	Connecticut	7/1/16	25 cents	\$3.90
	Louisiana	4/1/16	22 cents	\$1.08
	Minnesota	1/1/16	10 cents	\$3.00
	Oregon	1/1/16	1 cent	\$1.32
	Pennsylvania	8/1/16	\$1.00	\$2.60
	West Virginia	7/1/16	65 cents	\$1.20
	Alabama	10/1/15	25 cents	\$7.5 cents
2015	Connecticut	10/1/15	25 cents	\$3.65
	Kansas	7/1/15	50 cents	\$1.29
	Louisiana	7/1/15	50 cents	86 cents
	Minnesota	1/1/15	7 cents	\$2.90
	Nevada	7/1/15	\$1.00	\$1.80
	Ohio	7/1/15	35 cents	\$1.60
	Puerto Rico	7/1/15	17 cents	\$3.40
	Rhode Island	8/1/15	25 cents	\$3.75
	Vermont	7/1/15	33 cents	\$3.08
	Oregon	1/1/14	13 cents	\$1.31
2014	Northern Mariana Isl.	9/16/14	75 cents	\$2.75
	Vermont	7/1/14	13 cents	\$2.75
	Massachusetts	7/31/13	\$1.00	\$3.51
	Minnesota	7/1/13	\$1.60	\$2.83
2013	New Hampshire	8/1/13	10 cents	\$1.78
	Puerto Rico	7/1/13	\$1.00	\$3.23
	Illinois	6/24/12	\$1.00	\$1.98
2012	Rhode Island	7/1/12	4 cents	\$3.50
	Connecticut	7/1/11	40 cents	\$3.40
	Hawaii	7/1/11	20 cents	\$3.20
	New Hampshire	7/1/11	-10 cents	\$1.68
	Northern Mariana Isl.	2011	25 cents	\$1.75
	Vermont	7/1/11	38 cents	\$2.62
	Guam	4/6/10	\$2.00	\$3.00
2010	Hawaii	7/1/10	40 cents	\$3.00
	New Mexico	7/1/10	75 cents	\$1.66

Source: Campaign for Tobacco-Free Kids, September 18, 2018 / Ann Boonn

Fig 4 Altria's IQOS



Fig 5.
Increasing demand of E-cigs



source: Austin Air

there was a substantial increase in youths vaping, driving the US Government to adopt a tougher stance against electronic cigarettes.

Investment Thesis

1. Over optimism on new smokeless product line

Altria has rebranded and shifted their focus on the smokeless product segment. This is in view of the recognised continued decline of the smokable product segment (85.8% revenue), hence prompting Altria to diversify their revenue streams. The products include iQos, vapes and E-cigarettes. Altria expects this increase in demand and hype for alternative tobacco products to offset the decrement in smokable revenue. However we foresee challenges which would potentially derail Altria's plans.

Firstly, the smokeless product segment is currently dominated by competitors, namely Juuls which holds 75% of E-cigarettes market share(Oct 2018) and increasing whereas Altria's market share has stagnated at around 11% for the past 2 years. With well established smokeless products in the market already, it would be more difficult for Altria to penetrate and increase revenue via this segment.

Secondly, FDA has adopted a strong stance on the fight against E-cigarettes. FDA has termed the increase usage of E-cigarettes among teens as an epidemic and are actively looking to impose regulations on the product. Due to this increasing pressure, Altria has halted sales on vaping liquid as well as removing E-cigarette Pods from the market temporarily in Q3 of 2018. Even though this does affect the whole smokeless product industry, Altria views this segment as the segment which could potentially compensate for the decrement of revenue from their traditional segments. Considering the fact that Altria has invested substantially for the launch of smokeless product segments with a 29.6%(FY15-FY17) increment in RnD expenditure, the topline has not and seems like it would not see a proportional increment therefore yielding a significant impact on Altria.

Hence we would still expect the revenue, if any, generated by smokeless products in the future to be insufficient to cover the forward decrement of revenue for their core smokable products

2. Poor prospect of profitability may reduce company's solvency given Altria's low current ratio

Altria has a record of current ratio of lower than 1, a 35% decline to 0.64 in 2017. This is due to the cash taken up by the combination of AB InBev/SABMiller business. Unfortunately, this cash input seems to fail to offer sustaining return, as seen from the loss in this combination. Given that the profitability of Altria seems gloomy in the near future. (estimated -6.3% and -6.2% for 2018 and 2019 respectively). This implies that the cash available is unlikely to return to a normal level, and the current ratio may not increase in the upcoming years, presenting potential problem for Altria to generate enough cash to pay off the current debt.

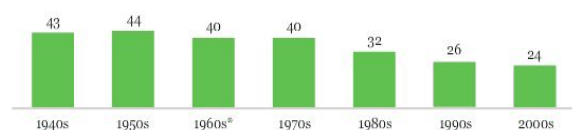
The limited cashflow may create several problems for Altria:

First, limited cash deposit means company has less free cash to reinvest into the business as the cash left to cover operating expenses is reduced. This could gradually lead the company into a vicious cycle where Altria has less and less inventories. Given the fact that there are \$2144M debt due in 2020 and \$3400M debt due in 2022, Altria faces a notable pressure even if it adopts a refinancing strategy for debt payment. Hence, taking the debt factor into consideration, Altria's business operation is expected to worsen with the insufficient cash in hand

Fig 6.
Decrement of consumption of smokable products

Cigarette Smoking, by Decade

■ Average % who smoke



* 1960s includes only one measurement

GALLUP POLL

Source: Gallup news

Fig 7.
FDA ads against smoking has seen to be effective



Furthermore, Altria Shareholders' sentiment may also be affected by the company's worrisome cashflow. Despite the fact that Altria is a tobacco tycoon, a poor business outlook will still scare the investors away. Despite the dividend of Altria stock being raised within the last year, future dividend is unlikely to be further raised as Altria will not have sufficient cash to do so. Such prospect will lower investors' confidence and preference for the stock. In fact, Altria's current asset is already insufficient to pay for its current debt, and the debt due sooner (in 2020 and 2022) may further concern investors, reducing their interest to continue their investment in Altria and consequently, causing the stock price to fall.

3. Altria's rising EPS through non-sustainable means

Being faced with decreasing sales, Altria continues to grow its EPS by raising cigarette prices, repurchasing shares, and cutting costs. This strategy worked for decades, but it can't last forever.

Raising cigarette prices is not a sustainable mean to grow its earning since there are many competitors in the business as well. Altria may lose its competitive pricing and consumer may turn over to competitors instead.

Altria spent 34% of its FCF on buybacks and 76% on dividends. In total, Altria returned 110% of its FCF to investors. Altria has raised dividend payout annually since 2008 to deliver earning growth to shareholders. The unsustainable increase in dividends could eventually caused a reduction is dividends per share.

Understanding the business model of Altria, we realise that it is not sustainable and in the long-run the company will be greatly affected. Hence, we expect the share price will decrease in the long run as Altria continues to raise its EPS through unsustainable means.

Catalysts

Fall in revenue of 6% at Q2 may trigger downward rating on Altria if it is unable to produce a turnaround in revenue at Q3.

Projected hikes in interest rate will result in bond yields rising further. This will make Altria a less attractive investment option relative to fixed income instruments.

FDA tough regulation against E-cigarette will cause Altria to lose its alternative form of income as conventional cigarette faces decline in demand

Financial Analysis

Financial Ratios	Historicals			Forecast Period				
	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E
Probability								
Net Profit Margin	20.61%	55.33%	39.99%	27.39%	27.24%	27.15%	26.99%	26.83%
Return on Asset	0.17	0.37	0.23	0.15	0.14	0.13	0.12	0.11
Return on Equity	1.82	1.12	0.67	0.39	0.35	0.32	0.30	0.28
Liquidity								
Current Ratio	0.69	0.98	0.64	0.80	0.92	0.98	0.98	0.9
Cash Ratio	0.34	0.62	0.18	0.36	0.48	0.54	0.54	0.4
Asset Utilization								
Total Asset Turnover	0.81	0.56	0.59	0.54	0.50	0.47	0.44	0.4
Inventory Turnover	3.81	3.78	3.39	3.65	3.65	3.65	3.65	3.6
Financial leverage								
LT debt : Assets	40.82%	30.22%	30.16%	29.52%	29.15%	29.07%	29.21%	29.58%
LT debt: Equity	445.94%	108.70%	84.74%	78.26%	74.53%	72.71%	72.47%	73.67%
Debt: Equity	446.08%	108.70%	90.36%	83.45%	79.48%	77.53%	77.28%	78.56%
Debt: Assets	40.84%	30.22%	32.16%	31.48%	31.09%	30.99%	31.15%	31.54%
Interest coverage	10.89	30.25	14.94	13.36	12.54	12.08	11.34	10.66
Market Value								
Price: Earnings	23.30	10.16	11.90	17.66	18.93	20.23	21.67	23.11
EV/EBITDA	14.56	6.75	12.47	11.15	11.87	12.63	13.43	14.21

Fig 8 Wacc Calculation

WACC Derivation

Cost of Equity	7.06%
Risk-free rate	3.2%
Beta	55.2%
Market Risk Premium	7.0%
Cost of Debt	3.87%
Pre-tax cost of debt	4.9%
Tax rate	21.0%
Market Cap (US\$'M)	115875.9
Total Debt (US\$'M)	13900
WACC	6.72%

Fig 9 DCF Model

Perpetuity Growth Method	
Total PV of Projected FCFF	23,571
Long-term growth rate	1.0%
Final year FCFF	5,771
Terminal value	101,891
PV of terminal value	77,832
Enterprise value	101,403
Less: Debt	(13,900)
Add: Cash	1,253
Less: Minority interest	(3)
Add: Investments in associates	17,952
Implied equity value	106,705
NOSH	1,921
Implied stock price	\$ 55.55
Exit Multiple Method	
Total PV of Projected FCFF	23,571
Terminal year EBITDA	7,106
Exit EV/EBITDA	14.2x
Terminal value	100,907
PV of terminal value	77,080
Enterprise value	100,650
Less: Debt	(13,900)
Add: Cash	2,353
Less: Minority interest	(3)
Add: Investments in associates	17,952
Implied equity value	107,052
NOSH	1,921
Implied stock price	\$ 55.73

Fig 10 Enterprise value

Football Field Inputs

Market Cap (US\$'M):	115,876
Enterprise Value (US\$'M):	108,845
Total Debt - MRQ (US\$'M):	13,900
Total Cash - MRQ (US\$'M):	2,976
Minority Interest - MRQ (US\$'M):	-3
Investments in Assoc. - MRQ (US\$'M):	17,952
NOSH ('M):	1,890
+1FY EPS (US\$):	3.24
+1FY EBITDA (US\$'M):	8,539
+1FY Sales (US\$'M):	22,493

Fig 11 Relative valuation table

Price	Min	25th	50th	75th	Max	Average
+1FY P/E	32.40	36.94	40.82	55.40	66.10	46.05
+1FY EV/EBITDA	34.90	41.22	47.55	62.46	75.56	52.63
DDM (6.03-8.03% discount rate, 1.0%	45.28	51.84	57.46	64.79	81.75	58.91
DCF (8.2-10.2% WACC, 1-3% tgr)	43.37	49.93	55.55	62.92	80.71	57.09
DCF (8.2-10.2% WACC, 3.5-5.5% em)	51.23	53.86	55.73	57.59	60.53	55.75

Valuation

12M Price Target: **\$51.54 (Derived using a blended valuation approach)**

DCF Model

A discounted cash flow analysis was used to estimate the intrinsic value of Altria's share price given its strong record in free cash flow. The primary model is forecasted over 5 years taking into account Altria's expansion plans in the smokeless products segment. The model is driven by revenue projections based on industry projections and research. On cost front, working capital, COGS, SG&A and Capex served as good parameters for projections given their historical consistency.

Weighted Average Cost of Capital (WACC)

Beta was calculated by linear regression of Altria stock price against the S&P 500 for 3 years. Equity risk premium was estimated by taking into consideration the annual average return of S&P 500 which is about 10% since its inception and the current treasury yield rate of about 3%. CAPM was then used to estimate the cost of equity, using the current 10 year treasury yield as risk-free rate. For the cost of debt, 4.9% was derived from Altria's effective interest rate stated inside its annual report.

Revenue decline

A bottom-up approach was taken to estimate Altria's future revenue, by taking into consideration Altria three revenue segment. The key factors involved the projection were historical growth rates, shipment volumes and sales/volume

Terminal Growth

The terminal growth of Altria was taken to be 1% reflecting the decrease in smoking rates across the United states and taking into account the stricter laws and regulations governing smoking and the possibility of more tobacco tax hikes in the future.

Relative Valuation

Using +1 FY P/E, +1 FY P/EBITDA, +1 FY P/CF ratios, and analyst estimates, MO is priced at a premium to its peers. We believe this premium is not justified and would be corrected by the market. Factoring in the decreasing sales/revenue and over dependence on smokable products, markets would take this into account leading to the readjustment of share price.

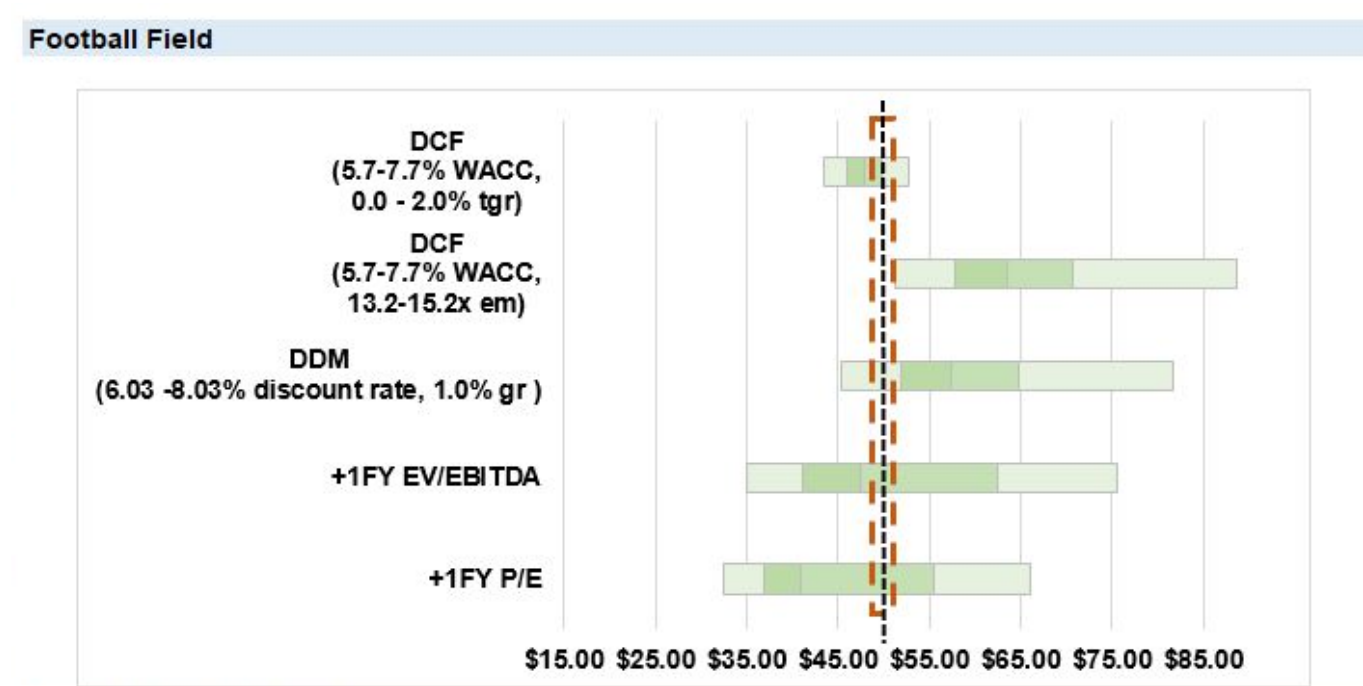
Using comparables as assurance to our DCF valuations, MO trades at the upper end of its peer group in terms of relative valuation. This is also supported by the lower intrinsic value calculated by DCF.

Using a blended target price of 20% from Fig 12, our implied intrinsic value of \$51.54 for MO actually falls well within the football field. quartile. Thus, we take this as validation of our DCF model and remain confident that our DCF model is in line with relative valuations, therefore, we reaffirm our SELL recommendation.

Fig 12 Target Price Derivation

Target Price Derivation	
+1FY P/E Implied TP	
2019E EPS	3.24
Target P/E Multiple	12.8x
Implied Target Price	\$ 41.42
DDM Implied TP	
Implied Target Price	\$ 58.91
DCF Implied TP	
Perpetual Growth Method	\$ 55.55
Exit Multiple Method	\$ 55.73
Overall Target Price	
Method	Weightage
+1FY P/E	20%
+1FY EV/EBITDA	20%
DDM (6.03 -8.03% discount rate, 1.0% gr)	20%
DCF	
(8.2-10.2% WACC, 1-3% tgr)	20%
DCF	
(8.2-10.2% WACC, 3.5-5.5x em)	20%
Blended Target Price	\$ 51.54
Current Share price on 23 Oct 18	\$ 61.31
Upside/Downside	-15.9%
Rating	SELL

Fig 13 Football Field Relative Valuation



Investment Risks

Given the rising demand for E-cigarettes, there could be a possibility for the innovative products offered by Altria to grow faster than the decline of traditional Tobacco division. Since FDA policy against E-cigarettes is not yet in place, there is a likelihood that it does not go through. In such circumstance, Altria stocks may not fall as investors believe the alternative products that Altria offers can bring about growth in the long run.

Understanding that smoking causes an addiction and is hard to quit, it is unlikely for smokers to stop smoking so easily. FDA measures for reducing smoking may be unsuccessful against avid smokers and there may not be a significant decrease in people who consume smokeable products. Since smoking traditional tobacco is still viewed differently from E-cigarettes, smokers may still stick to the traditional cigarettes for their dose of nicotine.

The current strategy adopted by Altria of giving high dividend payout though not sustainable in the long run, may still attract investors who seeks high dividend yield. Hence, we may not see the decline in stock price in the near future.

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Appendix 1 Income statement

(USD 'M unless otherwise stated)	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E
Income Statement								
Net sales	25,434	25,744	25,576	23,978	22,493	21,115	19,834	18,645
Excise Taxes	6,580	6,407	6,082	5,958	5,589	5,246	4,928	4,633
Cost of sales, exclusive of depreciation and amortization	7,740	7,746	7,543	7,194	6,749	6,335	5,951	5,594
Gross profit	11,114	11,591	11,951	10,826	10,156	9,533	8,955	8,418
Selling General and Administrative Expenses	2,708	2,650	2,362	2,412	2,263	2,124	1,995	1,875
Other Operating Expenses	41	-	-	-	-	-	-	-
Asset impairment	4	179	33	67	63	59	56	52
Other Operating (Income) or Expense, net	-	-	-	-	-	-	-	-
Operating income	8,361	8,762	9,556	8,334	7,818	7,339	6,894	6,481
Interest expense, net	817	747	705	672	672	655	655	655
Loss on early extinguishment of debt	228	823	-	-	-	-	-	-
Earnings from equity investment in AB InBev/SABMiller	(757)	(795)	(532)	(651)	(611)	(573)	(538)	(506)
Gain on AB InBev/SABMiller business combination	(5)	(13,865)	(445)	-	-	-	-	-
Income (loss) before taxes	8,078	21,852	9,828	8,313	7,756	7,257	6,777	6,332
Provision for income tax expense (benefit)	2,835	7,608	(399)	1,746	1,629	1,524	1,423	1,330
Net income	5,243	14,244	10,227	6,567	6,128	5,733	5,354	5,002
Net income attributable to noncontrolling interests	(2)	(5)	(5)	(4)	(4)	(3)	(3)	(3)
Net income attributable to Altria	5,241	14,239	10,222	6,563	6,124	5,730	5,351	4,999
Net income per share (USD) attributable to A&F:								
Basic	2.67	7.29	5.32	3.47	3.24	3.03	2.83	2.64
Diluted	2.67	7.29	5.32	3.47	3.24	3.03	2.83	2.64
Weighted-average shares outstanding:								
Basic	1,961	1,952	1,921	1,891	1,891	1,891	1,891	1,891
Diluted	1,961	1,952	1,921	1,891	1,891	1,891	1,891	1,891
EBITDA	9,120	22,803	10,742	9,093	8,539	8,026	7,549	7,106
EBIT	8,895	22,599	10,533	8,985	8,429	7,912	7,432	6,987

Appendix 2 Balance sheet

(USD 'M unless otherwise stated)	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E
Balance Sheet								
Assets:								
Cash and equivalents	2,369	4,569	1,253	2,353	2,976	3,187	3,044	2,574
Receivables	124	151	142	130	122	115	108	101
Inventories	2,031	2,051	2,225	1,972	1,850	1,736	1,631	1,533
Other current assets	387	489	724	724	724	724	724	724
Total current assets	4,911	7,260	4,344	5,179	5,672	5,762	5,507	4,932
Property and equipment, net	1,982	1,958	1,914	2,016	2,078	2,124	2,158	2,181
Goodwill	5,285	5,285	5,307	5,307	5,307	5,307	5,307	5,307
Other intangible assets, net	12,028	12,036	12,400	12,400	12,400	12,400	12,400	12,400
Investment in AB Inbev	5,483	17,852	17,952	17,952	17,952	17,952	17,952	17,952
Finance assets, net	1,239	1,028	899	899	899	899	899	899
Other assets	531	513	386	386	386	386	386	386
Total non-current assets	26,548	38,672	38,858	38,960	39,022	39,068	39,102	39,125
Total assets	31,459	45,932	43,202	44,139	44,694	44,830	44,609	44,057
Liabilities:								
Current portion of Long-term debt	4	-	864	864	864	864	864	864
Accounts payable	400	425	374	374	351	330	310	291
Accrued expenses	5,556	5,762	4,296	4,871	4,570	4,290	4,029	3,788
Dividends payable	1,110	1,188	1,258	1,258	1,258	1,258	1,258	1,258
Total current liabilities	7,070	7,375	6,792	6,504	6,179	5,877	5,597	5,337
Long-term debt	12,843	13,881	13,030	13,030	13,030	13,030	13,030	13,030
Deferred Income Tax	4,667	8,416	5,247	5,247	5,247	5,247	5,247	5,247
Accrued post-retirement healthcare cost	2,245	2,217	445	445	445	445	445	445
Accrued pension cost	1,277	805	1,987	1,987	1,987	1,987	1,987	1,987
Other liabilities	447	427	283	283	283	283	283	283
Total long-term liabilities	21,479	25,746	20,992	20,992	20,992	20,992	20,992	20,992
Total liabilities	28,549	33,121	27,784	27,496	27,171	26,869	26,589	26,329
Equity:								
Class A Common Stock	935	935	935	935	935	935	935	935
Paid-in capital	5,813	5,893	5,952	5,952	5,952	5,952	5,952	5,952
Retained earnings	27,257	36,906	42,251	43,523	44,356	44,794	44,853	44,561
Accumulated other comprehensive loss, net of tax	(3,280)	(2,052)	(1,897)	(1,897)	(1,897)	(1,897)	(1,897)	(1,897)
Treasury stock	(27,845)	(28,912)	(31,864)	(31,864)	(31,864)	(31,864)	(31,864)	(31,864)
Total Altria stockholders' equity	2,880	12,770	15,377	16,649	17,482	17,920	17,979	17,687
Noncontrolling interests	(7)	3	3	3	3	3	3	3
Total stockholders' equity	2,873	12,773	15,380	16,652	17,485	17,923	17,982	17,690
Total liabilities and stockholders' equity	31,459	45,932	43,202	44,186	44,694	44,830	44,609	44,057
Balance Check (A=L+E)	YES	YES	YES	YES	YES	YES	YES	YES

Appendix 3 Cash flow statement

Operating:									
Net income	5,243	14,244	10,227	6,567	6,128	5,733	5,354	5,002	
Adjustments:									
Depreciation and amortization	225	204	209	108	111	113	116	119	
Earnings from equity investment in AB InBev/SABMiller	(757)	(795)	(532)	-	-	-	-	-	
Gain on AB InBev/SABMiller business combination	(5)	(13,865)	(445)	-	-	-	-	-	
Dividend from AB InBev/SABMiller	495	739	806	-	-	-	-	-	
Asset impairment	1	106	(38)	-	-	-	-	-	
Loss on early extinguishment of debt	228	823	-	-	-	-	-	-	
Provision for (benefit from) deferred income taxes	(132)	3,119	(3,126)	-	-	-	-	-	
Pension and postretirement plans contributions	(28)	(531)	(294)	-	-	-	-	-	
Pension provisions and postretirement, net	114	(73)	(11)	-	-	-	-	-	
Other liabilities	201	120	(20)	-	-	-	-	-	
Changes in assets and liabilities:									
Receivables	3	(27)	10	12	8	7	7	6	
Inventories	(33)	(34)	(171)	253	122	113	105	98	
Accrued liabilities and other current assets	184	(113)	(85)	223	(718)	(703)	(655)	(609)	
Accounts payable and accrued expenses	26	24	(55)	(576)	325	302	280	260	
Accrued settlement charges	90	111	(1,259)	-	-	-	-	-	
Income taxes	(12)	(231)	(294)	-	117	105	101	94	
Net cash provided by operating activities	5,843	3,821	4,922	6,588	6,092	5,671	5,308	4,970	
Investing:									
Capital expenditures	(229)	(189)	(199)	(193)	(174)	(166)	(156)	(146)	
Acquisitions of business and assets	-	(45)	(415)	-	-	-	-	-	
Proceeds from finance assets	354	231	133	-	-	-	-	-	
Proceeds from AB InBev/SABMiller business combination	-	4,773	-	-	-	-	-	-	
Purchase of AB InBev ordinary shares	-	(1,578)	-	-	-	-	-	-	
Proceeds from derivative finance instruments	-	510	-	-	-	-	-	-	
Payment for derivative financial instruments	(132)	(3)	(5)	-	-	-	-	-	
Other	(8)	9	19	-	-	-	-	-	
Net cash used for investing activities	(15)	3,708	(467)	(193)	(174)	(166)	(156)	(146)	
Financing:									
Purchase of treasury stock	(554)	(1,030)	(2,917)	-	-	-	-	-	
Premiums and fees related to early extinguishment of long-term borrowings issued	(226)	(809)	-	-	-	-	-	-	
Repayment of long-term borrowings	-	1,976	-	-	-	2,144	-	3,400	
Dividends paid	(1,793)	(933)	-	-	-	(2,144)	-	(3,400)	
Other financing activities	(4,179)	(4,512)	(4,807)	(5,295)	(5,295)	(5,295)	(5,295)	(5,295)	
Net cash used for financing activities	(6,780)	(5,329)	(7,771)	(5,295)	(5,295)	(5,295)	(5,295)	(5,295)	
Effect of exchange rates on cash									
Net increase (decrease) in cash and equivalents	(952)	2,200	(3,316)	1,100	623	210	(143)	(470)	
Cash and equivalents, beginning of period	3,321	2,369	4,569	1,253	2,353	2,976	3,187	3,044	
Cash and equivalents, end of period	2,369	4,569	1,253	2,353	2,976	3,187	3,044	2,574	

Appendix 4 Financial projections

	Units	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E
Expenses									
Net Sales	US\$Mils	25,434	25,744	25,576	23,978	22,493	21,115	19,834	18,645
Excise Tax		6,580	6,407	6,082	5,957.57	5,588.76	5,246.22	4,928.10	4,632.67
% of revenue		26%	25%	24%	25%	25%	25%	25%	25%
Cost of goods sold	US\$Mils	7,740	7,746	7,543	7,194	6,749	6,335	5,951	5,594
% of revenue	%	30%	30%	29%	30%	30%	30%	30%	30%
Stores and distribution expense	US\$Mils	2,708	2,650	2,362	2,412	2,263	2,124	1,995	1,875
% of revenue	%	11%	10%	9%	10%	10%	10%	10%	10%
Marketing, general and administrative expense	US\$Mils	41	-	-	-	-	-	-	-
% of revenue	%	0%	0%	0%	0%	0%	0%	0%	0%
Asset impairment loss		4	179	33	67.14	62.99	59.13	55.54	52.21
% of revenue		0.02%	0.70%	0.13%	0.28%	0.28%	0.28%	0.28%	0.28%
Earnings from equity investment in AB InBev/S	US\$Mils	757	795	532	650.96	610.66	573.23	538.47	506.19
% of revenue	%	2.98%	3.09%	2.08%	2.71%	2.71%	2.71%	2.71%	2.71%
Operating income	US\$Mils	8,361	8,762	9,556	8,334.03	7,818.11	7,338.93	6,893.91	6,480.63
% of revenue	%	32.87%	34.04%	37.36%	34.76%	34.76%	34.76%	34.76%	34.76%
Other operating income, net	US\$Mils	-	-	-	-	-	-	-	-
% of revenue	%	0.0%	0.0%	0.0%	0%	0%	0%	0%	0%
Income Tax									
Income (loss) before taxes	US\$Mils	8,078	21,852	9,828	8,313	7,756	7,257	6,777	6,332
Income tax expense (benefit)	US\$Mils	2,835	7,608	(399)	1,746	1,629	1,524	1,423	1,330
Tax Rate	%	35%	35% nm		21%	21%	21%	21%	21%
Net income attributable to noncontrolling interests		(2)	(5)	(5)	(3.73)	(3.50)	(3.29)	(3.09)	(2.90)
% of revenue		-0.01%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%
Net income		5,241	14,239	10,222	6,563	6,124	5,730	5,351	4,999

	Units	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E
Net income attributable to noncontrolling interests		(2)	(5)	(5)	(3,73)	(3,50)	(3,29)	(3,09)	(2,90)
% of revenue		-0.01%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%	-0.02%
Net income		5,241	14,239	10,222	6,563	6,124	5,730	5,351	4,999
Working Capital									
Net Sales	US\$Mils	25,434	25,744	25,576	23,978	22,493	21,115	19,834	18,645
COGS	US\$Mils	7,740	7,746	7,543	7,194	6,749	6,335	5,951	5,594
Accounts Receivable	US\$Mils	124	151	142	130	122	115	108	101
Inventories	US\$Mils	2,031	2,051	2,225	1,972	1,850	1,736	1,631	1,533
Accounts payable	US\$Mils	400	425	374	374	351	330	310	291
Accrued expenses	US\$Mils	5,556	5,762	4,296	4,871	4,570	4,290	4,029	3,788
Assumptions									
Accounts Receivable as % of revenue	%	0.49%	0.59%	0.56%	0.5%	0.5%	0.5%	0.5%	0.5%
Inventories as % of COGS	%	26.2%	26.5%	29.5%	27.4%	27.4%	27.4%	27.4%	27.4%
Other Current Assets as % of revenue	%	0.00%	0.00%	0.00%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable as % of COGS	%	5.2%	5.5%	5.0%	5.2%	5.2%	5.2%	5.2%	5.2%
Accrued expenses as % of COGS	%	71.8%	74.4%	57.0%	67.7%	67.7%	67.7%	67.7%	67.7%
Days sales outstanding	#		1.9	2.1	2.1	2.0	2.0	2.0	2.0
Days sales in inventory	#		96.2	103.5	106.5	103.3	103.3	103.3	103.2
Days payable outstanding	#		19.4	19.3	19.0	19.6	19.6	19.6	19.6
Cash conversion cycle	#		78.7	86.2	89.5	85.8	85.7	85.7	85.7
Fixed Assets									
Net Sales	US\$Mils	25,434	25,744	25,576	23,978	22,493	21,115	19,834	18,645
Plant, Property & Equipment									
Land and land improvements	US\$Mils			302	314	300	286	272	258
Buildings and building equipment	US\$Mils			1,437	1,494	1,547	1,596	1,642	1,686
Machinery and equipment	US\$Mils			2,975	3,093	3,203	3,304	3,400	3,490
Construction in progress	US\$Mils			165	172	178	183	189	194
Total Gross PPE	US\$Mils			4,879	5,072	5,227	5,369	5,503	5,628
Less: Accumulated depreciation	US\$Mils		(2,877)	(2,965)	(3,056)	(3,149)	(3,245)	(3,345)	(3,447)
Total Net PPE	US\$Mils			1,914	2,016	2,078	2,124	2,158	2,181
Capital Expenditure	US\$Mils	229	189	199	193	174	166	156	146
as % of revenue	%	0.9%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Land and land improvements				6.2%	6.4%	5.7%	5.3%	4.9%	
Buildings and building equipment				29.5%	30.6%	29.6%	29.7%	29.8%	
Machinery and equipment				61.0%	62.4%	61.3%	61.5%	61.8%	
Construction in progress				3.4%	3.8%	3.4%	3.4%	3.4%	
Accumulated depreciation	US\$Mils		2877	2,965	-3,055.7	-3,149.2	-3,245.5	-3,344.8	-3,447.1
gov % change	%			3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Capex added to:									
Buildings	US\$Mils				12	11.8	8.5	8.31	7.2
Furniture, fixtures and equipment	US\$Mils				57	53.8	49.04	46.40	43.5
Information technology	US\$Mils				118	100.09	101.53	96.06	90.0
Leasehold improvements	US\$Mils				7	6.11	5.63	5.33	5.0
Depreciation									
Total depreciation	US\$Mils		2,877	2,965	3,056	3,149	3,245	3,345	3,447
Depreciation Method:									
Depreciation - % of revenue method									
Annual Depreciation	US\$Mils			88	91	93	96	99	102
% of revenue	%			0.3%	0.4%	0.4%	0.5%	0.5%	0.5%
Amortization									
				20	20	20	20	20	20
Debt									
Net Sales	US\$Mils	25,434	25,744	25,576	23,978	22,493	21,115	19,834	18,645
Cash	US\$Mils	2,369	4,569	1,253	2,353	2,976	3,187	3,044	2,574
Cash as % of revenue	%	9.3%	17.7%	4.9%	9.8%	13.2%	15.1%	15.3%	13.8%
Total interest expense	US\$Mils				672	672	655	655	655
Target minimum cash balance	US\$Mils				2,555	2,396	2,250	2,113	1,986
% of revenue	%				10.7%	10.2%	10.7%	10.7%	10.7%
Cashflow before short-term/revolver borrowings									
Cash from operations	US\$Mils				6,588	6,092	5,671	5,308	4,970
Cash from investing	US\$Mils				(193)	(174)	(166)	(156)	(146)
Cash from financing (ex short-term debt)	US\$Mils				(5,295)	(5,295)	(7,439)	(5,295)	(8,695)
(+) Beginning cash balance	US\$Mils			1,253	2,353	2,976	3,187	3,187	3,044
(+) Cash from new long-term borrowing	US\$Mils				-	-	2,144	-	3,400
(-) Target minimum cash balance	US\$Mils				(2,555)	(2,396)	(2,250)	(2,113)	(1,986)
Available cash before short-term bc	US\$Mils				(202)	580	937	931	587

Beginning balance	US\$Mil:				13,030	13,030	13,030	13,030	13,030
(-) Repayment	US\$Mil:					-	(2,144)		(3,400)
(+) Issuance	US\$Mil:						2,144		3,400
Ending balance	US\$Mil:				13,030	13,030	13,030	13,030	13,030
Interest expense	US\$Mil:				644	644	655	655	655
Total proceeds from borrowings	US\$Mil:		-	-	-	-	2,144	-	3,400
Total repayments	US\$Mil:		(6,000)	(25,000)	(15,000)	-	(2,144)	-	(3,400)

Retained Earnings & Dividends

Retained Earnings

Beginning balance	US\$Mil:				42,251	43,523	44,356	44,794	44,853
(+) Net income	US\$Mil:				6,567	6,128	5,733	5,354	5,002
(-) Dividends paid	US\$Mil:				5,295	5,295	5,295	5,295	5,295
Ending balance	US\$Mil:				43,523	44,356	44,794	44,853	44,561

Dividends

Cash dividend per share	US\$		2.13	2.31	2.50	2.80	2.80	2.80	2.80
Basic shares outstanding	Mil		1,961	1,952	1,921	1,891	1,891	1,891	1,891
Cash dividends paid	US\$Mil:		(4,179)	(4,512)	(4,807)	(5,294.80)	(5,294.80)	(5,294.80)	(5,294.80)

Appendix 5 Revenue projections

	Units	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E
Net Sales	US\$ Millions	25,434	25,744	25,576	23,978	22,493	21,115	19,834	18,645
% y/y			1.22%	-0.65%	-6.25%	-6.19%	-6.13%	-6.06%	-5.99%
Sales by Segment:									
Smokable Products	US\$ Millions	22,792	22,851	22,636	21,033	19,544	18,160	16,875	15,680
% of total	%	90%	89%	89%	88%	87%	86%	85%	84%
% y/y	%		-1%	0%	-1%	-1%	-1%	-1%	-1%
Smokeless Products	US\$ Millions	1,879	2,051	2,155	2,145	2,136	2,126	2,117	2,108
% of total	%	7%	8%	8%	9%	9%	10%	11%	11%
% y/y	%		1%	0%	1%	1%	1%	1%	1%
Wine + Others	US\$ Millions	763	842	785	799	813	828	843	858
% of total	%	3%	3%	3%	3%	4%	4%	4%	5%
% y/y	%		0.3%	-0.2%	0.3%	0.3%	0.3%	0.3%	0.4%
Total net sales	US\$ Millions	25,434	25,744	25,576	23,978	22,493	21,115	19,834	18,645

Segment - Smokable Products

Total Sales	US\$ Millions	22,792	22,851	22,636	21,033	19,544	18,160	16,875	15,680
% y/y	%	-	-1%	0%	-7.1%	-7.1%	-7.1%	-7.1%	-7.1%
Volume	Sticks in Million	127,343	124,333	118,148	108,696	100,000	92,000	84,640	77,869
y/y growth (%)	%		-2.36%	-4.97%	-8.0%	-8.0%	-8.0%	-8.0%	-8.0%
Sales/Volume	%	0.179	0.184	0.192	0.194	0.195	0.197	0.199	0.201
y/y growth (%)	%		2.69%	4.24%	1%	1%	1%	1%	1%

Total Sales

Assumptions

Volume	Sticks in Million	127,343	124,333	118,148	108,696	100,000	92,000	84,640	77,869
y/y growth (%)	%		-2.36%	-4.97%	-8%	-8%	-8%	-8%	-8%
Sales/Volume		0.179	0.184	0.192	0.194	0.195	0.197	0.199	0.201
y/y growth (%)			2.69%	4.24%	1%	1%	1%	1%	1%

Segment - Smokeless Products

Total Sales	US\$ Millions	1,879	2,051	2,155	2,145	2,136	2,126	2,117	2,108
% y/y	%	-	1%	0%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%
Volume	Sticks in Million	814	854	841	829.3	817.4	805.7	794.2	782.8
y/y growth (%)	%		4.92%	-1.43%	-1%	-1%	-1%	-1%	-1%
Sales/Volume	%	2.310	2.403	2.562	2.587	2.613	2.639	2.666	2.692
y/y growth (%)	%		4.04%	6.59%	1%	1%	1%	1%	1%
Total Sales	US\$ Millions	1,879	2,051	2,155	2,145	2,136	2,126	2,117	2,108

Assumptions

Assumptions

Volume	Sticks in Million	814	854	841	829	817	806	794	783
y/y growth (%)	%		4.92%	-1.43%	-1%	-1%	-1%	-1%	-1%
Sales/Volume		2.310	2.403	2.562	2.587	2.613	2.639	2.666	2.692
y/y growth (%)			4.04%	6.59%	1%	1%	1%	1%	1%

Segment - wine + others

Total Sales	US\$ Millions	763	842	785	799	813	828	843	858
% y/y	%		10.4%	-6.8%	1.8%	1.8%	1.8%	1.8%	1.8%

Appendix 6 Relative Valuation and Football Field Analysis

Football Field Inputs

Market Cap (US\$M):	115,876
Enterprise Value (US\$M):	108,845
Total Debt - MRQ (US\$M):	13,900
Total Cash - MRQ (US\$M):	2,976
Minority Interest - MRQ (US\$M):	-3
Investments in Assoc. - MRQ (US\$M):	17,952
NOSH (M):	1,890
+1FY EPS (US\$):	3.24
+1FY EBITDA (US\$M):	8,539
+1FY Sales (US\$M):	22,493

Valuation Metric	Percentile					Average
	Min	25th	50th	75th	Max	
+1FY P/E	10.0x	11.6x	14.0x	25.9x	30.8x	17.2x
+1FY EV/EBITDA	6.9x	8.6x	10.3x	17.9x	22.5x	12.8x
+1FY Price/Sales	1.40x	2.65x	3.15x	5.25x	7.40x	4.10x
Implied Share Price	Percentile					Average
	Min	25th	50th	75th	Max	
+1FY P/E	32.39	37.65	45.18	83.80	99.75	55.70
+1FY EV/EBITDA	34.90	42.46	50.26	84.71	105.38	61.55
+1FY Price/Sales	20.38	35.26	41.21	66.20	91.79	52.52
DCF (8.2-10.2% WACC, 1-3% tgr)	43.37	49.99	55.55	62.92	80.71	57.09
DCF (8.2-10.2% WACC, 3.5-5.5x em)	51.23	53.86	55.73	57.59	60.53	55.75

Appendix 7 Tobacco tax increment (taxadmin.org)

Cigarette Tax Increases 2000 - 2018

	Increase	New Rate/	Effective
	Per Pack	Pack of 20	Date
Alabama	\$0.26	\$0.425	5/18/2004
Alabama	\$0.25	\$0.675	10/1/2015
Arizona	\$0.58	\$1.18	11/25/2002
Arizona	\$0.82	\$2.00	12/7/2006
Alaska	\$0.60	\$1.60	1/1/2005
Alaska	\$0.20	\$1.80	7/1/2006
Alaska	\$0.20	\$2.00	7/1/2007
Arkansas	\$0.04	\$0.34	7/1/2001
Arkansas	\$0.25	\$0.59	6/1/2003
Arkansas	\$0.56	\$1.15	3/1/2009

Colorado	\$0.64	\$0.84	1/1/2005
California	--	\$0.87	--
California	\$2.00	\$2.87	4/1/2017
Connecticut	\$0.61	\$1.11	4/3/2002
Connecticut	\$0.40	\$1.51	3/15/2003
Connecticut	\$0.49	\$2.00	7/1/2007
Connecticut	\$1.00	\$3.00	10/1/2009
Connecticut	\$0.40	\$3.40	7/1/2011
Connecticut	\$0.25	\$3.65	10/1/2015
Connecticut	\$0.25	\$3.90	7/1/2016
Connecticut	\$0.45	\$4.35	12/1/2017
Delaware	\$0.31	\$0.55	8/1/2003
Delaware	\$0.60	\$1.15	8/1/2007
Delaware	\$0.45	\$1.60	7/1/2009
Delaware	\$0.50	\$2.10	9/1/2017

Delaware	\$0.50	\$2.10	9/1/2017
District of Columbia	\$0.35	\$1.00	1/1/2003
District of Columbia	\$1.50	\$2.50	10/1/2009
Florida	\$1.00	\$1.339	7/1/2009
Georgia	\$0.25	\$0.37	7/1/2003
Hawaii	\$0.20	\$1.20	10/1/2002
Hawaii	\$0.10	\$1.30	7/1/2003
Hawaii	\$0.10	\$1.40	7/1/2004
Hawaii	\$0.20	\$1.60	9/30/2006
Hawaii	\$0.20	\$1.80	9/30/2007
Hawaii	\$0.20	\$2.00	9/30/2008
Hawaii	\$0.60	\$2.60	7/1/2009
Hawaii	\$0.40	\$3.00	7/1/2010
Hawaii	\$0.20	\$3.20	7/1/2011
Idaho	\$0.29	\$0.57	6/1/2003

Illinois	\$1.00	\$1.98	7/1/2012
Indiana	\$0.40	\$0.555	7/1/2002
Indiana	\$0.44	\$0.995	7/1/2007
Iowa	\$1.00	\$1.36	3/1/2007
Kansas	\$0.46	\$0.70	7/1/2002
Kansas	\$0.09	\$0.79	7/1/2003
Kansas	\$0.50	\$1.29	7/1/2015
Kentucky	\$0.27	\$0.30	6/1/2005
Kentucky	\$0.30	\$0.60	7/1/2009
Louisiana	\$0.04	\$0.24	8/1/2000
Louisiana	\$0.12	\$0.36	8/1/2002
Louisiana	\$0.50	\$0.86	7/1/2015
Louisiana	\$0.22	\$1.08	4/1/2016
Maine	\$0.26	\$1.00	6/1/2001
Maine	\$1.00	\$2.00	9/19/2005

Maryland	\$0.34	\$1.00	7/1/2002
Maryland	\$1.00	\$2.00	1/1/2008
Massachusetts	\$0.75	\$1.51	7/25/2002
Massachusetts	\$1.00	\$2.51	7/1/2008
Massachusetts	\$1.00	\$3.51	7/31/2013
Michigan	\$0.50	\$1.25	8/1/2002
Michigan	\$0.75	\$2.00	7/1/2004
Minnesota	\$0.75	\$1.23	8/1/2005
Minnesota	\$1.60	\$2.83	7/1/2013
Minnesota	\$0.03	\$2.90	1/1/2015
Minnesota	\$0.10	\$3.00	1/1/2016
Minnesota	\$0.04	\$3.04	1/1/2017
Mississippi	\$0.50	\$0.68	5/15/2009
Montana	\$0.52	\$0.70	5/1/2003
Montana	\$1.00	\$1.70	1/1/2005
Montana	\$1.00	\$1.70	1/1/2005
Nebraska	\$0.30	\$0.64	10/1/2002
Nevada	\$0.45	\$0.80	7/22/2003
Nevada	\$1.00	\$1.80	7/1/2015
New Hampshire	\$0.28	\$0.80	7/1/2005
New Hampshire	\$0.28	\$1.08	7/1/2007
New Hampshire	\$0.70	\$1.78	7/1/2009
New Hampshire	-\$0.10	\$1.68	7/1/2011
New Hampshire	\$0.10	\$1.78	8/1/2013
New Jersey	\$0.70	\$1.50	7/1/2002
New Jersey	\$0.55	\$2.05	7/1/2003
New Jersey	\$0.35	\$2.40	7/1/2004
New Jersey	\$0.175	\$2.575	7/1/2006
New Jersey	\$0.125	\$2.70	7/1/2009
New Mexico	\$0.70	\$0.91	7/1/2003
New Mexico	\$0.75	\$1.66	7/1/2010
New Mexico	\$0.75	\$1.66	7/1/2010
New York City	\$1.42	\$1.50	7/2/2002
New York State	\$0.55	\$1.11	3/1/2000
New York State	\$0.39	\$1.50	4/3/2002
New York State	\$1.25	\$2.75	6/3/2008
New York State	\$1.60	\$4.35	7/1/2010
North Carolina	\$0.25	\$0.30	7/1/2005
North Carolina	\$0.05	\$0.35	7/1/2006
North Carolina	\$0.10	\$0.45	9/1/2009
North Dakota	--	\$0.44	--
Ohio	\$0.31	\$0.55	7/1/2002
Ohio	\$0.70	\$1.25	1/1/2005
Ohio	\$0.35	\$1.60	7/1/2015
Oklahoma	\$0.80	\$1.03	7/1/2004
Oregon	\$0.60	\$1.28	11/1/2002

Oregon	-\$0.10	\$1.18	1/1/2004
Oregon	\$0.13	\$1.31	1/1/2014
Oregon	\$0.01	\$1.32	1/1/2016
Oregon	\$0.01	\$1.33	1/1/2018
Pennsylvania	\$0.69	\$1.00	7/15/2002
Pennsylvania	\$0.35	\$1.35	7/1/2004
Pennsylvania	\$0.25	\$1.60	11/1/2009
Pennsylvania	\$1.00	\$2.60	8/1/2016
Rhode Island	\$0.32	\$1.32	5/1/2002
Rhode Island	\$0.39	\$1.71	7/15/2003
Rhode Island	\$0.75	\$2.46	7/1/2004
Rhode Island	\$1.00	\$3.46	4/10/2009
Rhode Island	\$0.03	\$3.50	7/1/2012
Rhode Island	\$0.25	\$3.75	8/1/2015
Rhode Island	\$0.50	\$4.25	8/16/2017
South Carolina	\$0.50	\$0.57	7/1/2010
South Dakota	\$0.20	\$0.53	3/18/2003
South Dakota	\$1.00	\$1.53	1/1/2007
Tennessee	\$0.07	\$0.20	7/15/2002
Tennessee	\$0.42	\$0.62	7/1/2007
Texas	\$1.00	\$1.41	1/1/2007
Utah	\$0.18	\$0.695	5/6/2002
Utah	\$1.005	\$1.70	7/1/2010
Vermont	\$0.49	\$0.93	7/1/2002
Vermont	\$0.26	\$1.19	7/1/2003
Vermont	\$0.70	\$1.79	7/1/2003
Vermont	\$0.45	\$2.24	7/1/2009
Vermont	\$0.38	\$2.62	7/1/2011
Vermont	\$0.13	\$2.75	7/1/2014
Vermont	\$0.33	\$3.08	7/1/2015
Vermont	\$0.38	\$2.62	7/1/2011
Vermont	\$0.13	\$2.75	7/1/2014
Vermont	\$0.33	\$3.08	7/1/2015
Virginia	\$0.175	\$0.20	7/1/2004
Virginia	\$0.10	\$0.30	7/1/2005
Washington	\$0.60	\$1.425	1/1/2002
Washington	\$0.60	\$2.025	7/1/2005
Washington	\$1.00	\$3.025	5/1/2010
West Virginia	\$0.38	\$0.55	5/1/2003
West Virginia	\$0.65	\$1.20	7/1/2016
Wisconsin	\$0.18	\$0.77	10/1/2001
Wisconsin	\$1.00	\$1.77	1/1/2008
Wisconsin	\$0.75	\$2.52	7/1/2009
Wyoming	\$0.48	\$0.60	7/1/2003