



# IQOS

THIS CHANGES EVERYTHING

# RRP Vision

INTERVIEW

## One day I hope we won't sell cigarettes, says Marlboro boss

Philip Morris chief André Calantzopoulos is puffing up his 'reduced-risk' product. But will the public health lobby listen?

James Ashton

October 23 2016, 12:01 am,  
The Sunday Times



André Calantzopoulos, pictured at Philip Morris's HQ overlooking Lake Geneva in Lausanne, Switzerland: 'I know what a smoker goes through'  
TOM STOCKILL

„I believe that there will come a moment in time where we have sufficient adoption of this alternative product and sufficient awareness to start envisaging – together with governments – a phase-out period for cigarettes.“

André Calantzopoulos

*Reduced-Risk Products (“RRPs”) refer to products that present, are likely to present, or have the potential to present less risk of harm to smokers who switch to these products versus continued smoking. We have a range of RRP in various stages of development, scientific assessment and commercialization. Because our RRP do not burn tobacco, they produce far lower quantities of harmful and potentially harmful compounds than found in cigarette smoke.*

# RRP Platforms\*

P1



IQOS

- Includes an electronic holder and a tobacco product
- Maintaining tobacco temperature below combustion
- Gold platinum and ceramic heat blade
- Rechargeable Lithium-ion battery
- Exclusively designed tobacco heatsticks *HEETS FROM MARLBORO* and *HEETS*
- Tobacco blends and flavor systems developed to suit lower operating temperature

P2



- Carbon heated tobacco
- No device
- Single use disposable product
- Closest to the combustible cigarette ritual
- Similar aerosol properties as P1

P3



- Alternative way to deliver nicotine
- Aerosol formed by chemical reaction with nicotine
- No tobacco
- No exhaled smoke
- Disposable Consumables

P4



- E-vapor product that generates nicotine-containing aerosols without combustion
- Does not contain tobacco, but a battery-powered devices that vaporizes nicotine liquid to create an inhalable aerosol.

# Launch of *IQOS* in the Czech Republic and in Slovakia

Philip Morris ČR a.s. intends to launch *HEETS FROM MARLBORO* and *IQOS* in the Czech Republic and Philip Morris Slovakia s.r.o. intends to launch *HEETS* and *IQOS* in Slovakia in the second half of 2017.

# IQOS + HEETS FROM MARLBORO



# IQOS benefits

- IQOS heats tobacco instead of burning it and produces a tobacco based aerosol that provides real tobacco taste and satisfaction while reducing the levels of harmful and potentially harmful chemicals generated on average by 90 - 95% compared to the smoke of a standard reference cigarette, designed for scientific research purposes.\*
- Based on the scientific evidence so far, switching completely to IQOS is likely to present less risk of harm than continuing to smoke cigarettes and, therefore, it is a better choice than smoking cigarettes.
- Important information: this does not mean that IQOS is risk-free.
- Please log on to [www.pmi.com](http://www.pmi.com) or [www.pmiscience.com](http://www.pmiscience.com) to find more information on IQOS and also on [www.svetbezkoure.cz](http://www.svetbezkoure.cz), which is coming soon.

\* Average of the reductions in the concentrations (weight per stick) of individual HPHCs measured in the IQOS aerosol compared to the smoke from a standard 9.4 mg 'tar' reference cigarette (3R4F). Aerosol and smoke collections performed under the Health Canada Intense machine-smoking regime (55 mL puff volume, 2 second puff duration, 30 second interval puff). Reduction calculations exclude nicotine.

# IQOS - Regulatory environment

## **IQOS notification**

- Notification to launch *HEETS FROM MARLBORO and IQOS* has been submitted to the competent Czech authorities and notification to launch *HEETS and IQOS* has been submitted to the competent Slovak authorities in accordance with applicable legislation.
- *HEETS FROM MARLBORO* and *HEETS* will be launched as smokeless tobacco products:
  - HW size: 30 %
  - HW text: „This tobacco product damages your health and is addictive.“

# IQOS - Excise tax

## Czech Republic

- *HEETS FROM MARLBORO* are not subject to excise tax under Act no. 353/2003 Coll. on excise taxes, as amended (the product cannot be smoked as is)
- Ministry of Finance is working on the draft amendment to the Excise Tax Act, which would tax heated tobacco products. We expect the legislative process to start in autumn 2017.

## Slovakia

- As of 1 May 2017 *HEETS* are subject to excise tax as a smokeless tobacco product under Act no. 106/2004 Coll. on Tobacco Excise Tax, as amended
- Excise tax per weight 76.70 EUR/kg tobacco in a smokeless tobacco product



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