

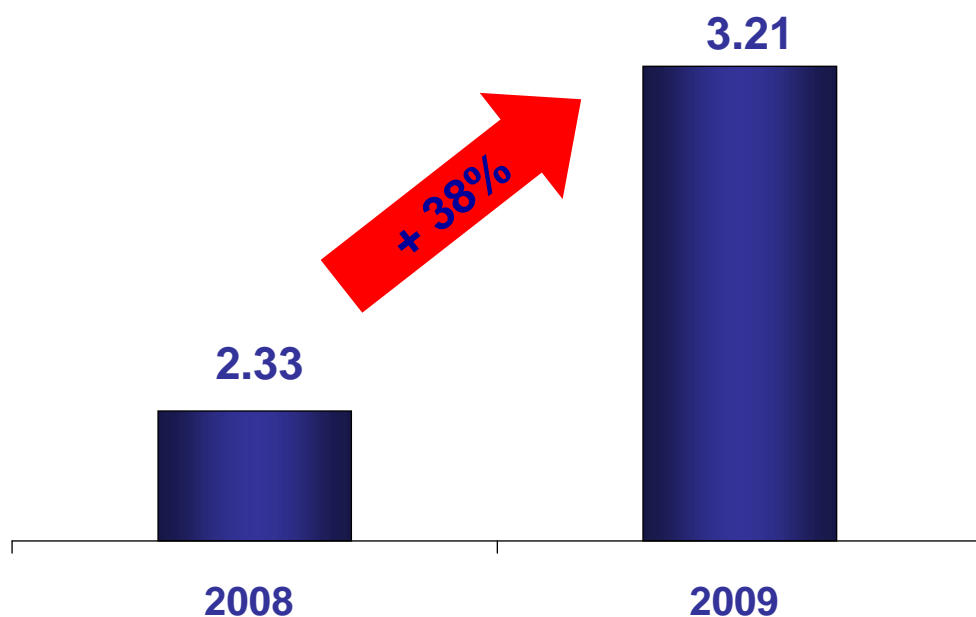


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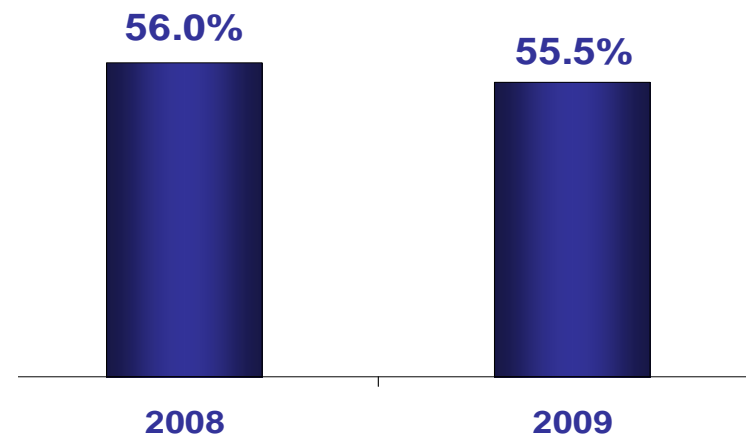
**Annual general meeting of shareholders of  
Philip Morris ČR a.s.**

**Kutná Hora – April 30, 2010**

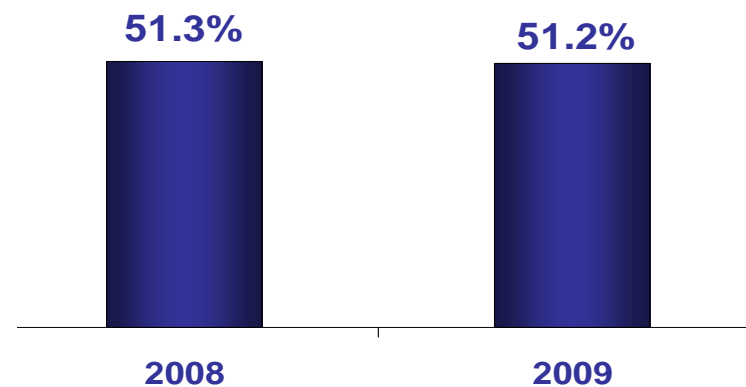
### Profit from Operations, CZK bio



### Market Share in Czech Rep



### Market Share in Slovakia



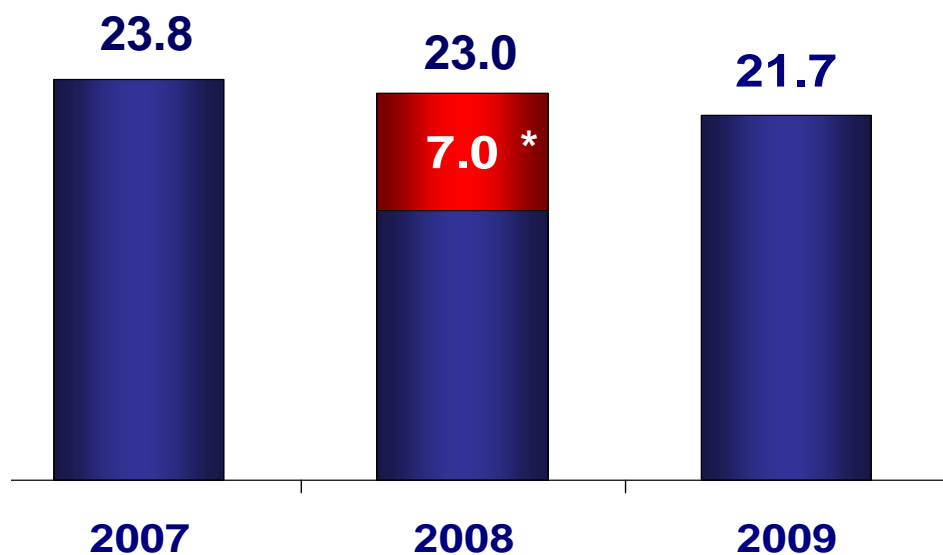
# Volume Overview (adjusted for estimated trade inventory distortions)

Czech Republic

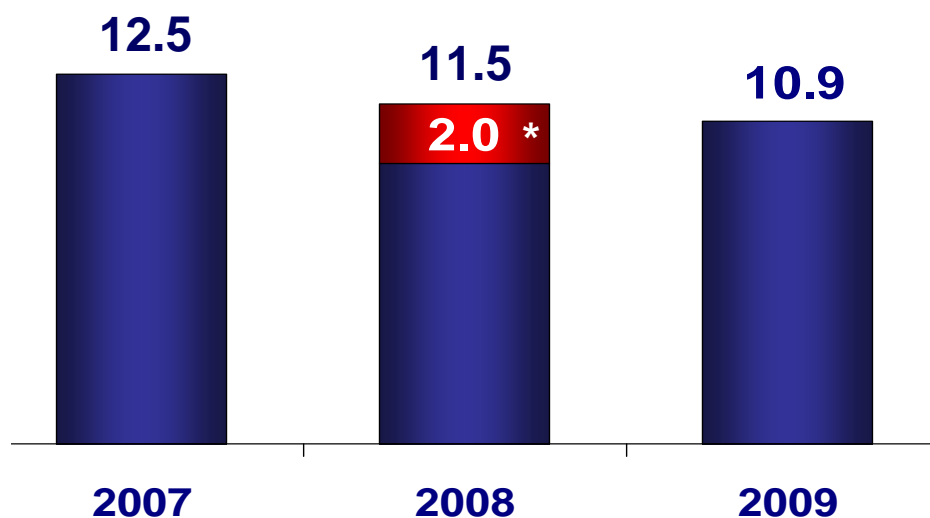


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## Cigarette Market, Bio

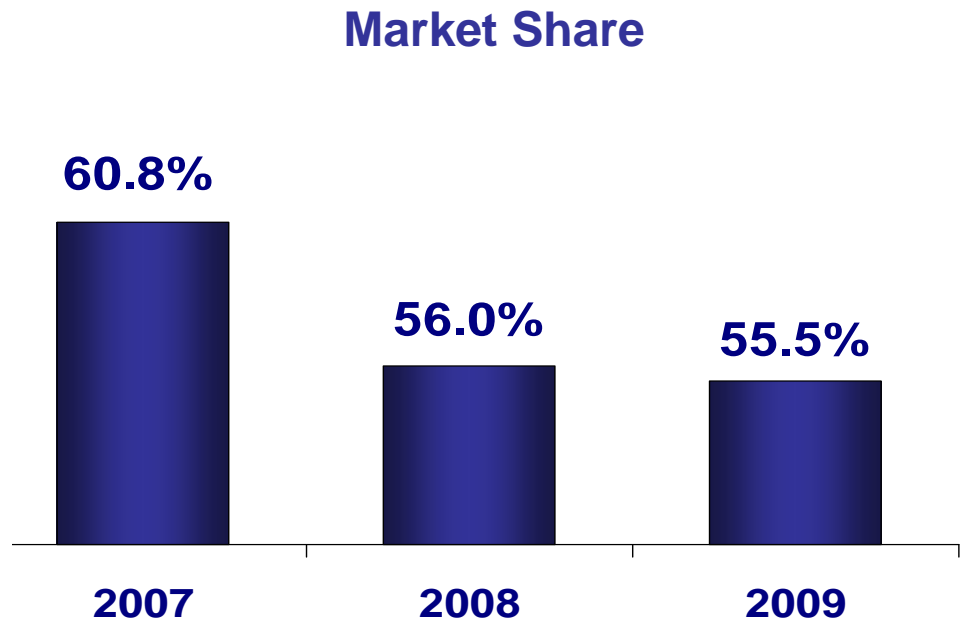


## Shipments, Bio



\* Estimated trade inventory distortions prior to January 1, 2008 excise tax increase

- **Decline in 2008 vs. 2007 due to:**
  - excise tax-driven price increases
  - ineffective forestalling regulation
- **Stable market share 2009 vs. 2008 due to new marketing initiatives**



# Marketing Initiatives

Czech Republic in 2009

## Low

Morphing of Clea into Philip Morris



## Mid

L&M LINK launch



## Premium

New Marlboro



# Excise Tax – Retail Price Increases 2009

Czech Republic

- First year since 2004 without excise tax increase



Premium



Q1

-

Q3

-

Mid



+ 1

+ 1

Low



+ 1

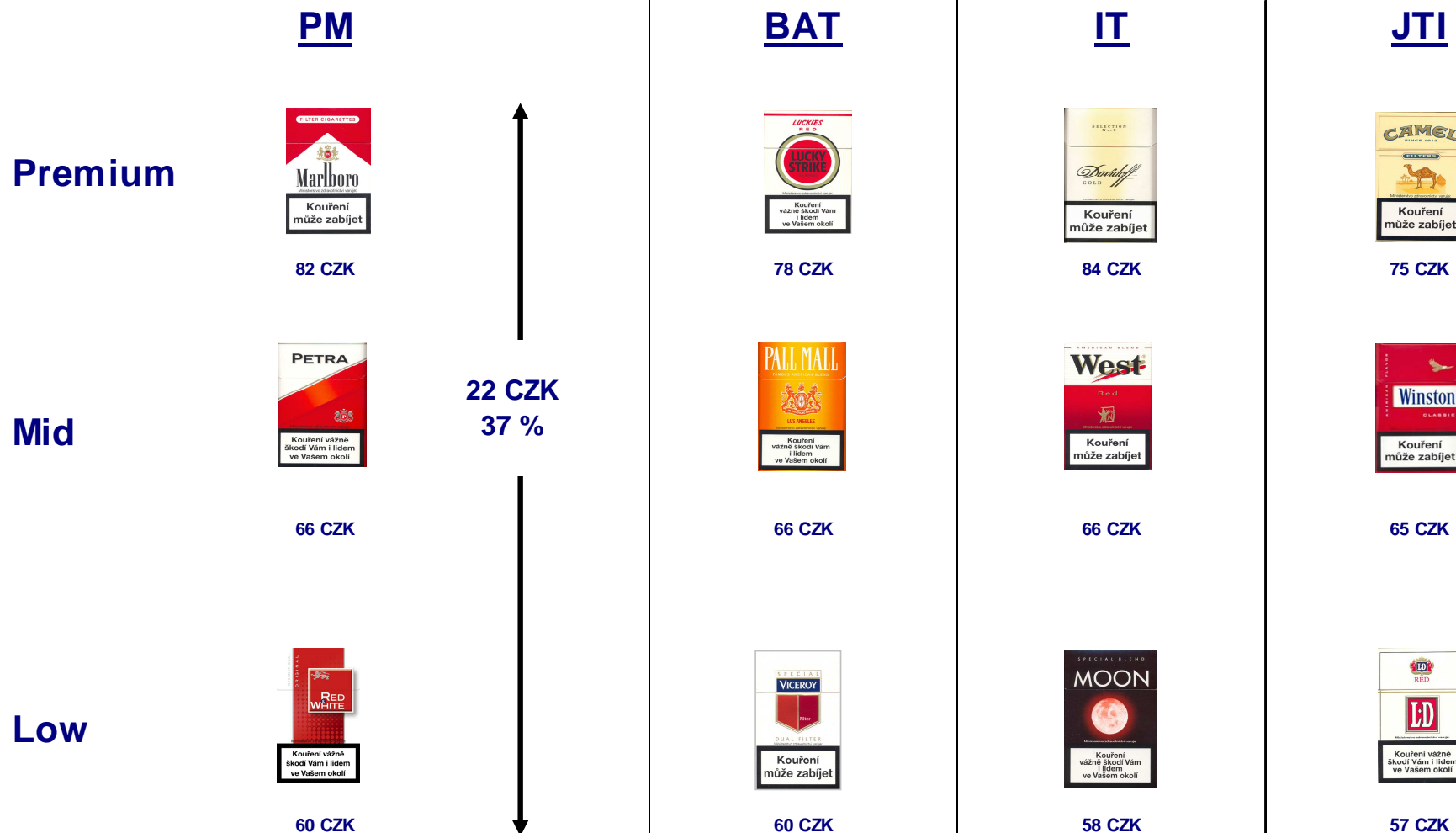
+ 1

# Retail Price Gaps

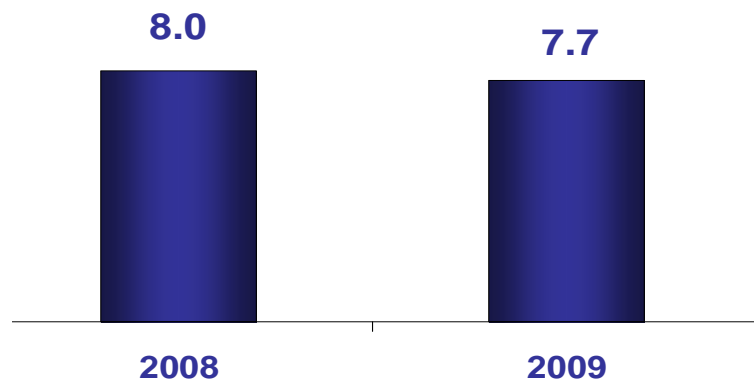
December 2009



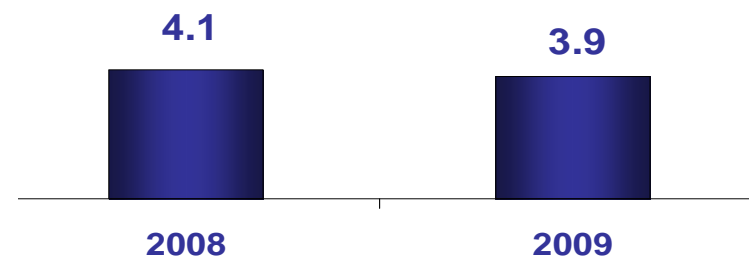
PHILIP MORRIS ČR



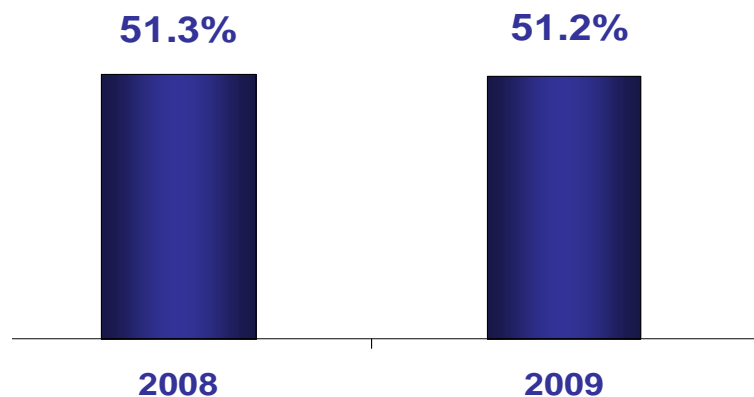
### Cigarette Market, Bio



### Shipments, Bio



### Market Share

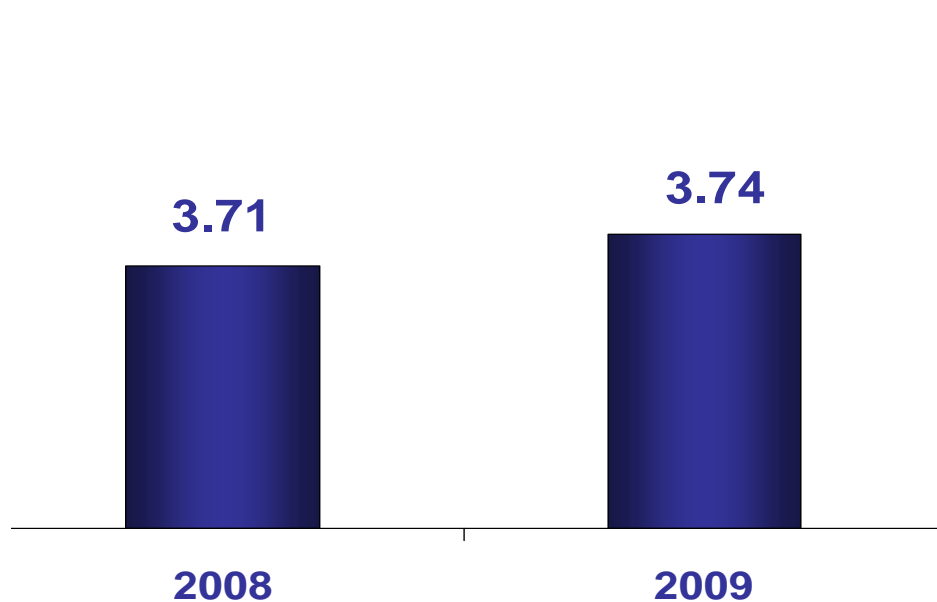


**Stabilization of market share in 2009**  
due to performance of *L&M* that  
increased market share by 6.7pp  
compensating market share losses  
incurred by local heritage brands.

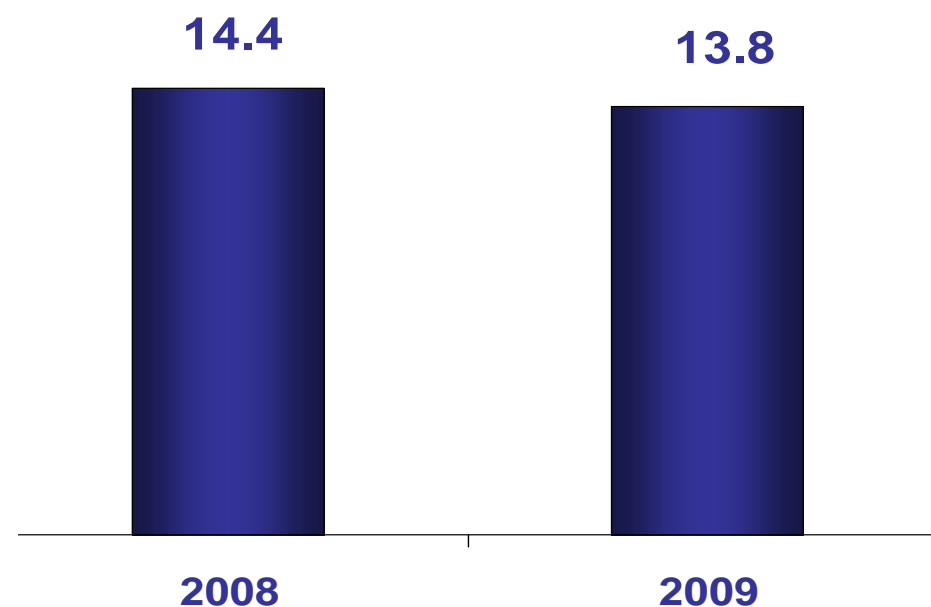




Revenues, CZK bio



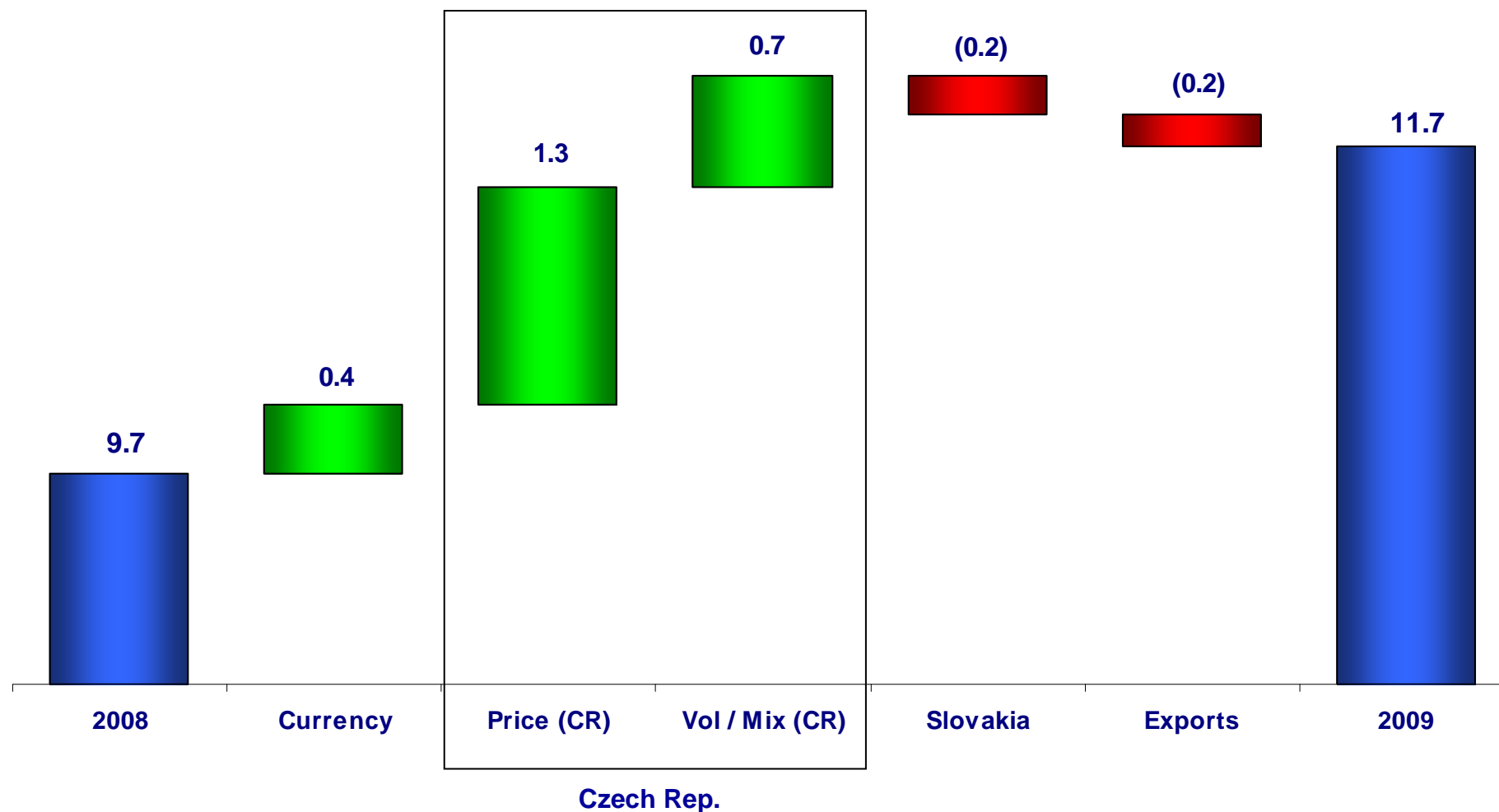
Shipments, Bio



- 2009 factory investments in Kutná Hora: > CZK 0.6 bio
- Number of employees at the end of 2009: 1 058

# Revenues, net of excise tax and VAT

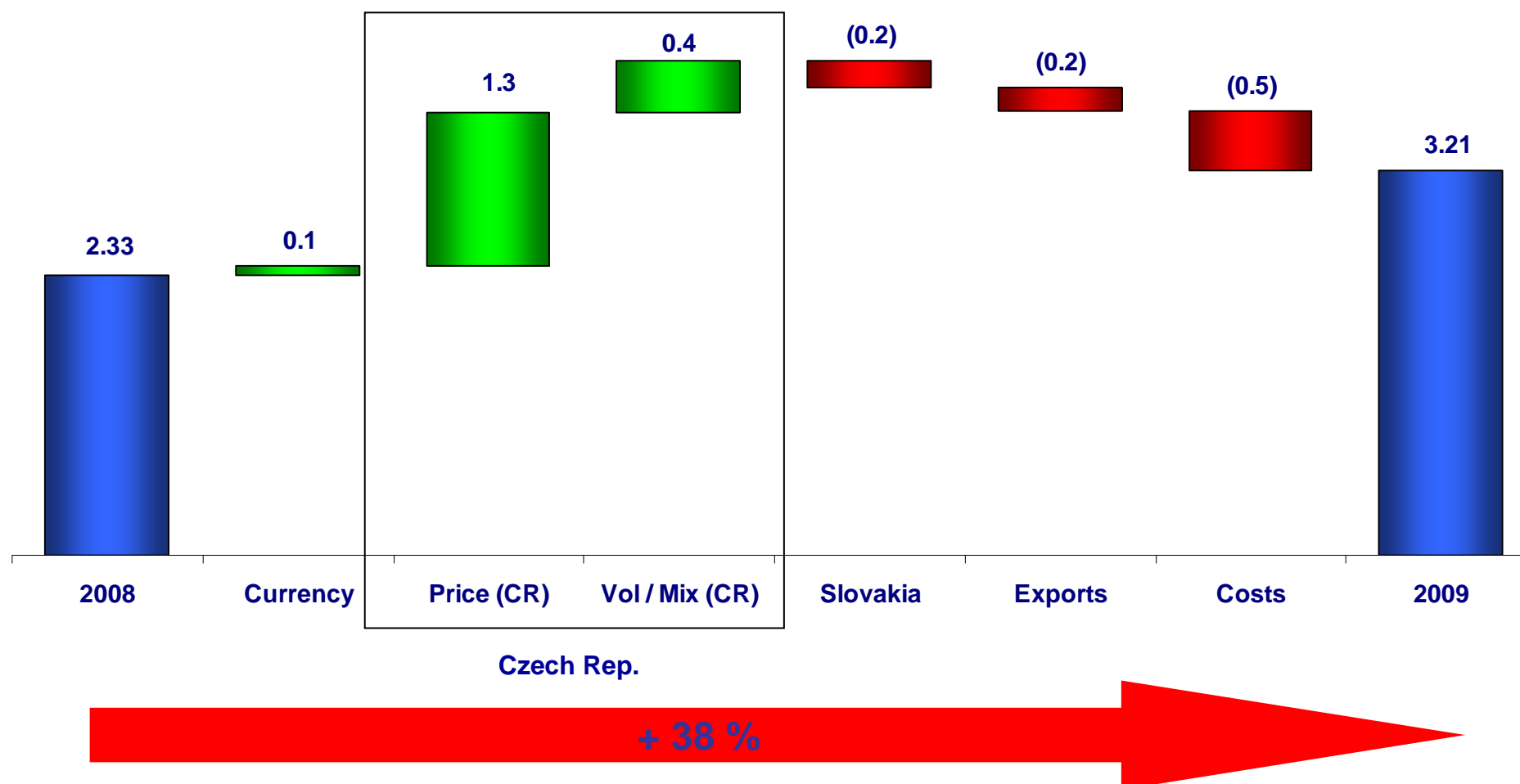
## Consolidated Financial Results (CZK bio)



**Real growth of CZK 1.5 bio (+15.9%) driven by favourable volume and pricing in the Czech Republic including a tax absorption cost of CZK 0.7 bio in 2008.**

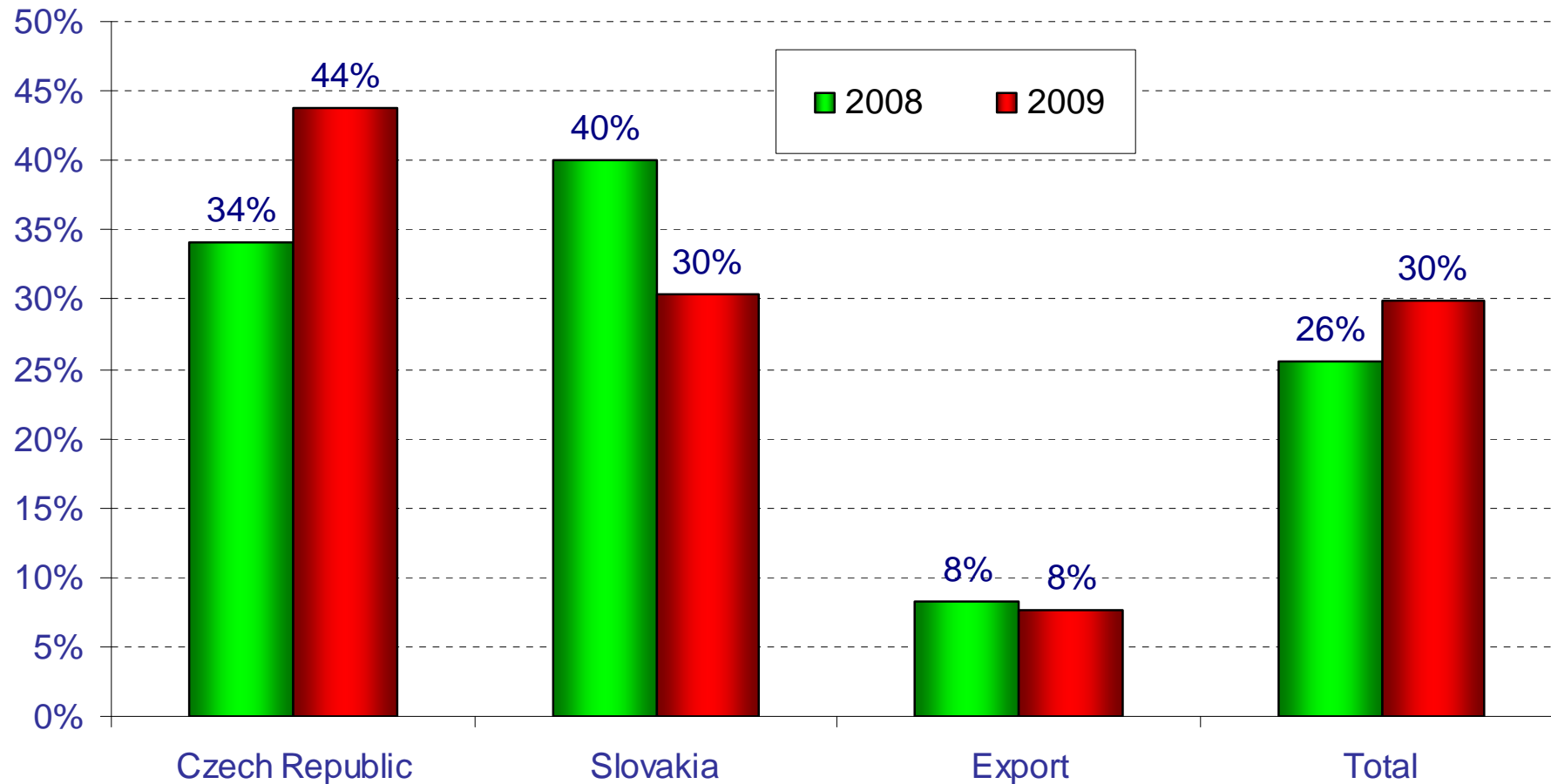
# Profit from Operations

## Consolidated Financial Results (CZK bio)



# Margin Overview

## Management profit from operations

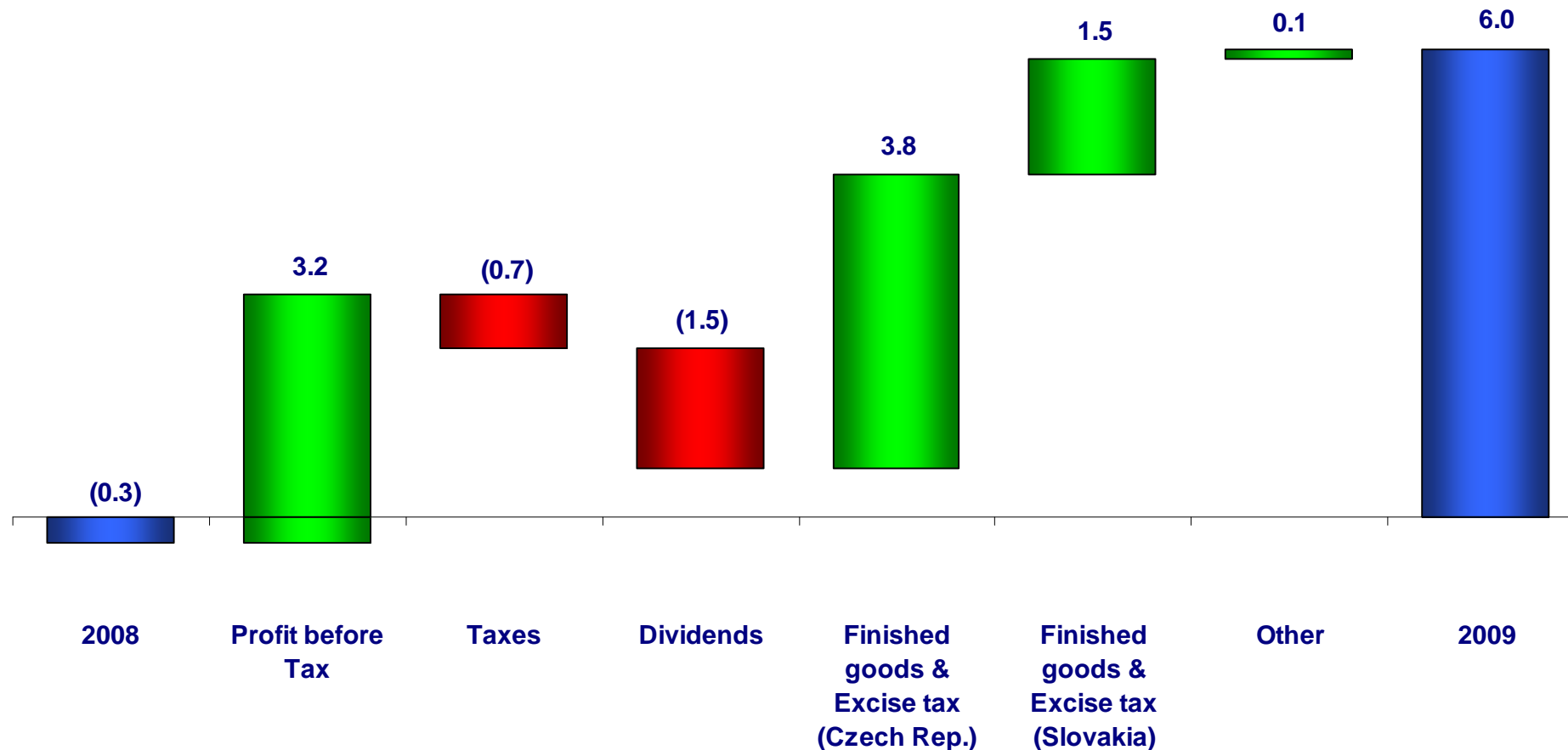


**Czech Rep.: Increase due to high tax absorption costs in 2008 and 2009 pricing**

**Slovakia: Unfavorable mix and partial tax absorption on *Marlboro***

# Cash and cash equivalents

## Consolidated Financial Results (CZK bio)






**Czech Rep.:** High 2008 year-end financing requirements in anticipation of an excise tax increase in 2009 that did not materialize

**Slovakia:** 2008 year-end financing requirements driven by stock build-up prior to the February 1, 2009 excise tax increase

# Retail Prices Outlook 2010

Czech Republic

- VAT increase January 1, 2010
- Excise Tax increase February 1, 2010

		<u>Dec '09</u>	<u>April '10</u>
Premium		82	82
Mid		66	69
Low		60	63