

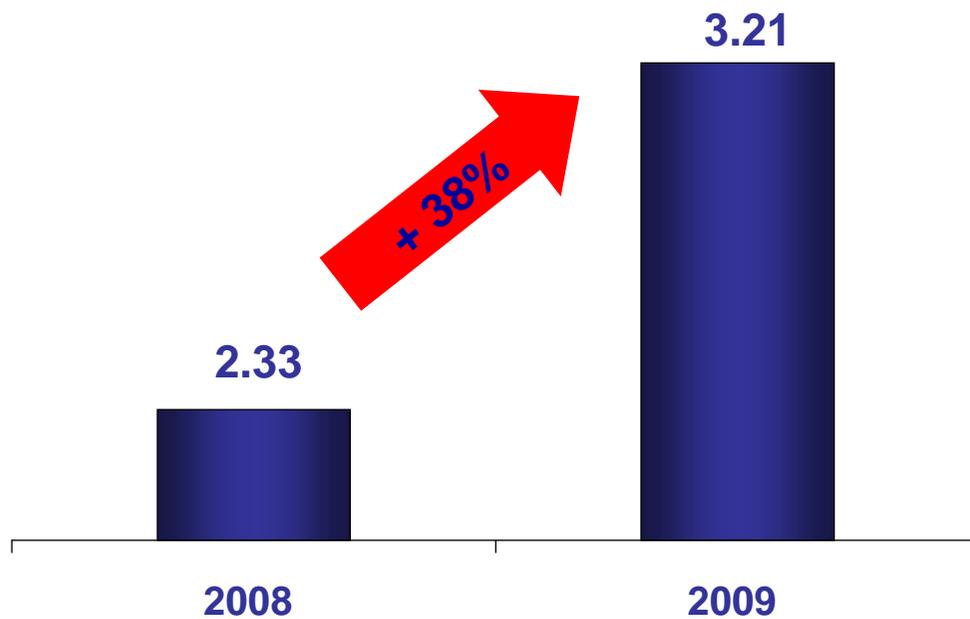


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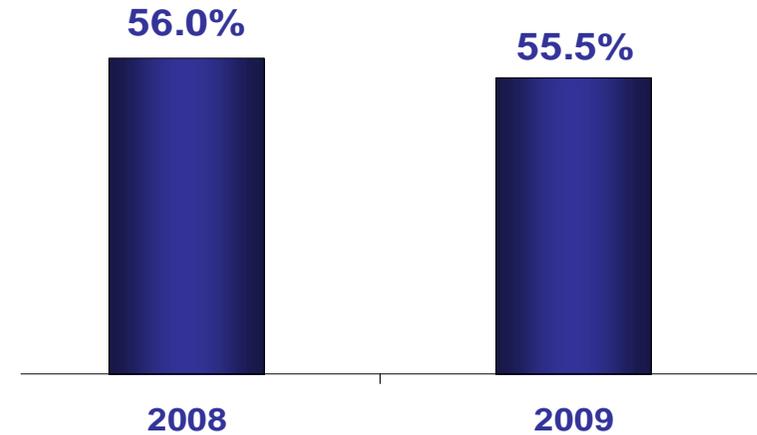
**Annual general meeting of shareholders of
Philip Morris ČR a.s.**

Kutná Hora – April 30, 2010

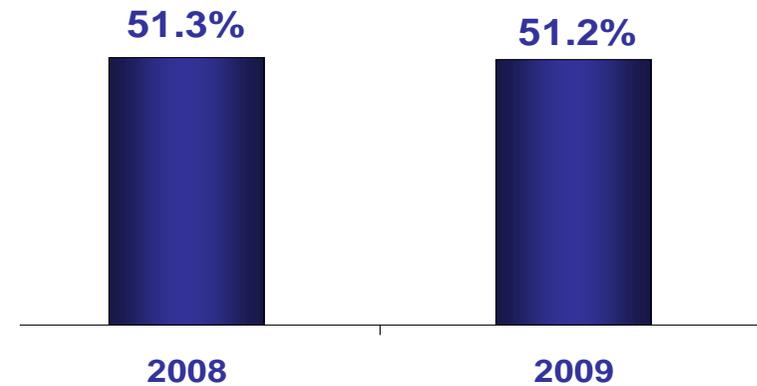
Profit from Operations, CZK bio



Market Share in Czech Rep



Market Share in Slovakia



Volume Overview (adjusted for estimated trade inventory distortions)

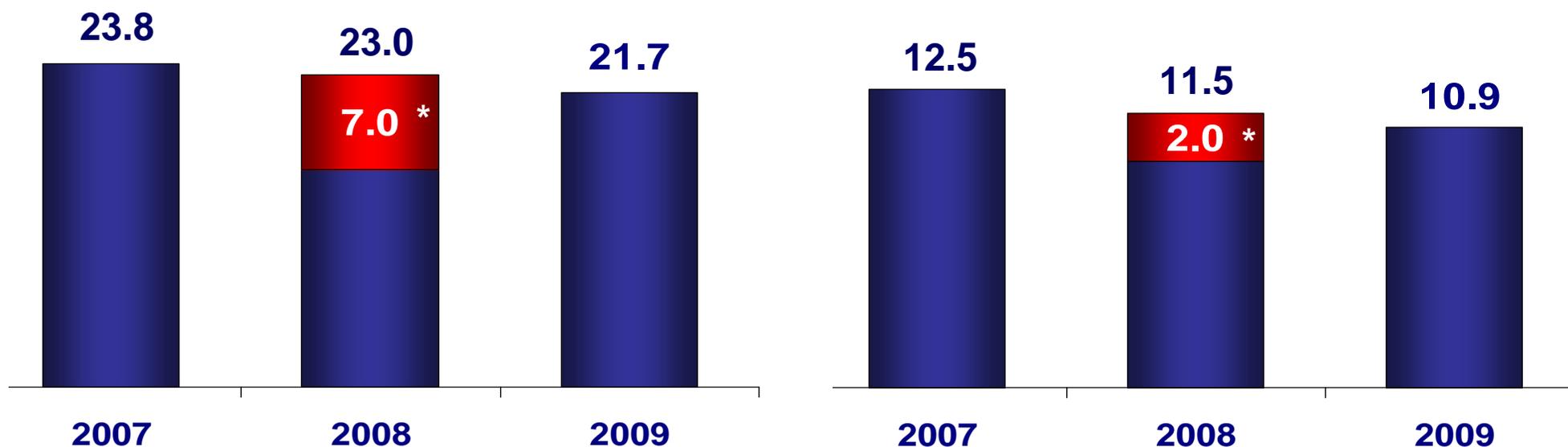
Czech Republic



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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**



Low

Morphing of Clea into Philip Morris



Mid

L&M LINK launch



Premium

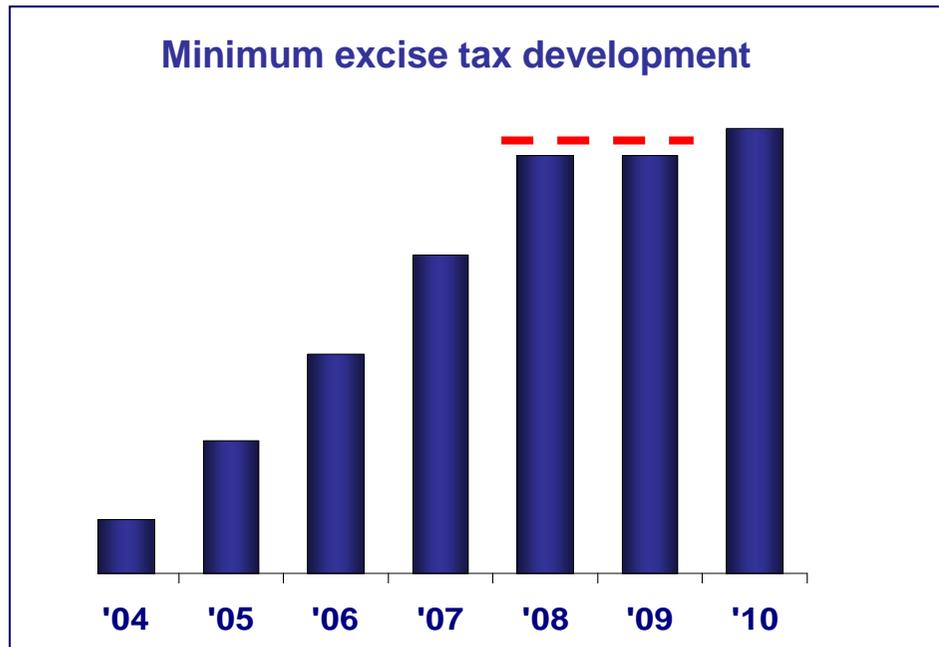
New Marlboro



Excise Tax – Retail Price Increases 2009

Czech Republic

- First year since 2004 without excise tax increase



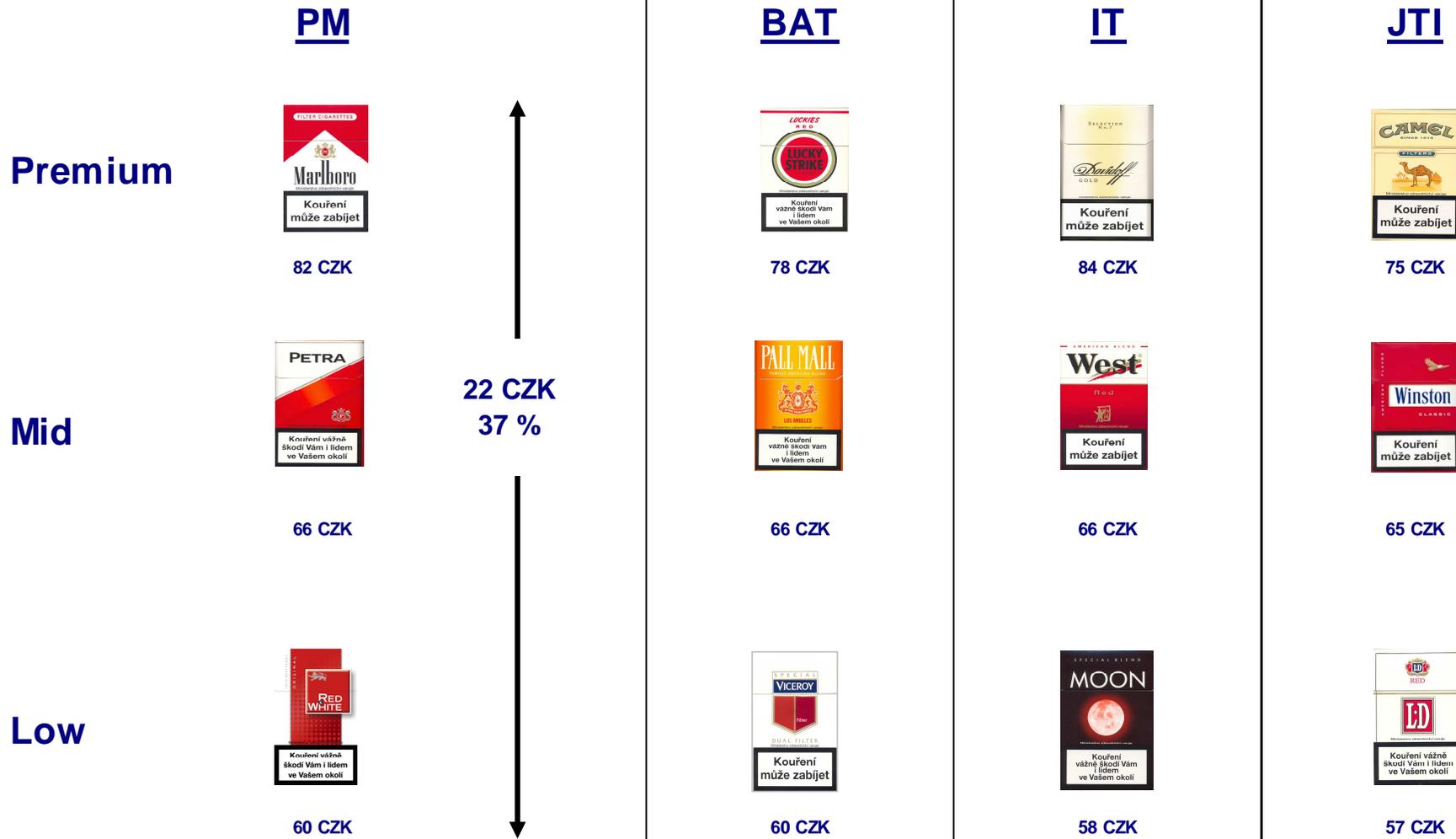
		<u>Q1</u>	<u>Q3</u>
Premium		-	-
Mid		+ 1	+ 1
Low		+ 1	+ 1

Retail Price Gaps

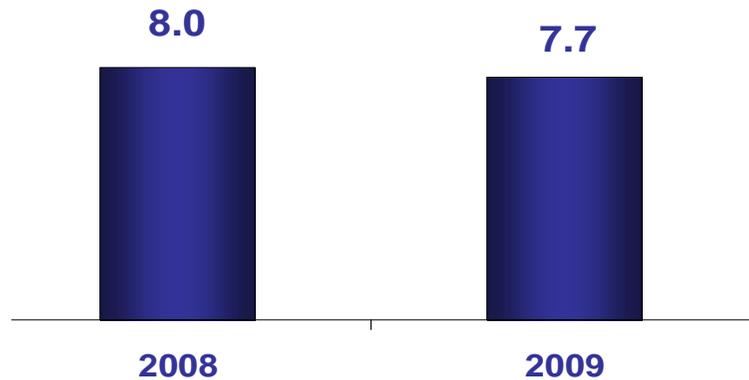
December 2009



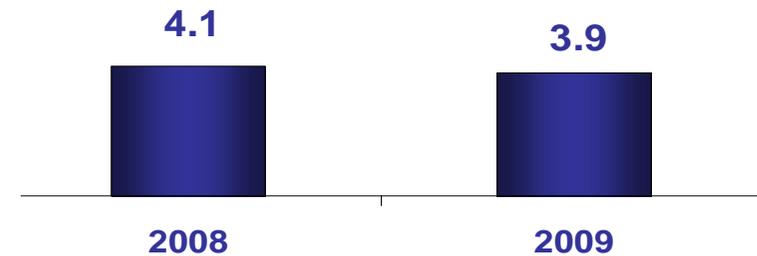
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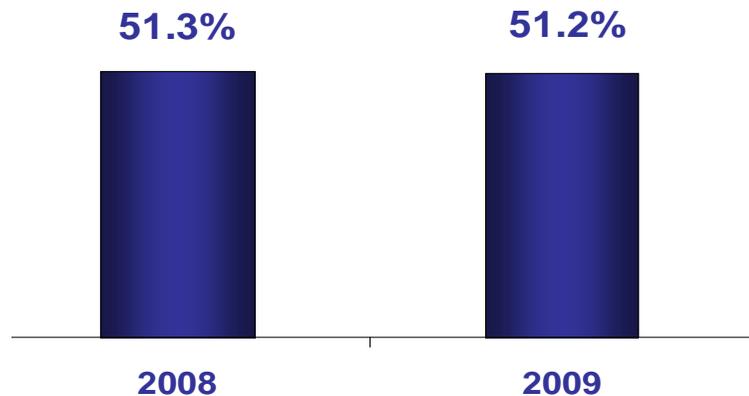
Cigarette Market, Bio



Shipments, Bio



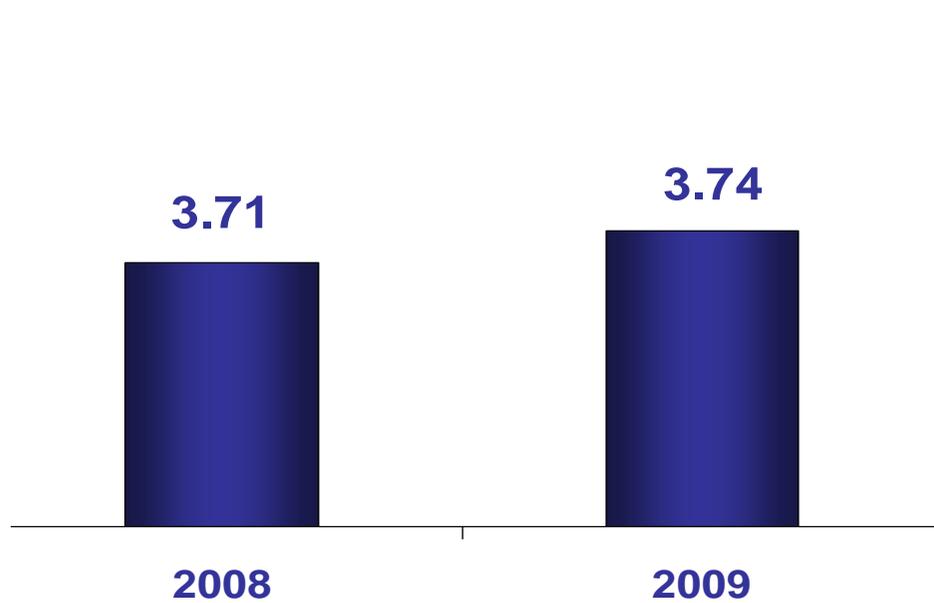
Market Share



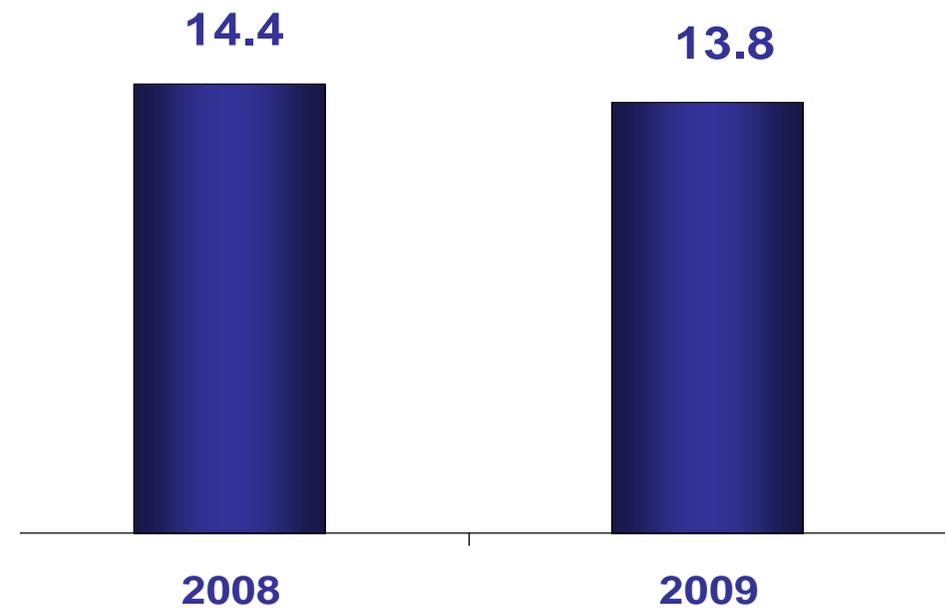
Stabilization of market share in 2009 due to performance of *L&M* that increased market share by 6.7pp compensating market share losses incurred by local heritage brands.



Revenues, CZK bio



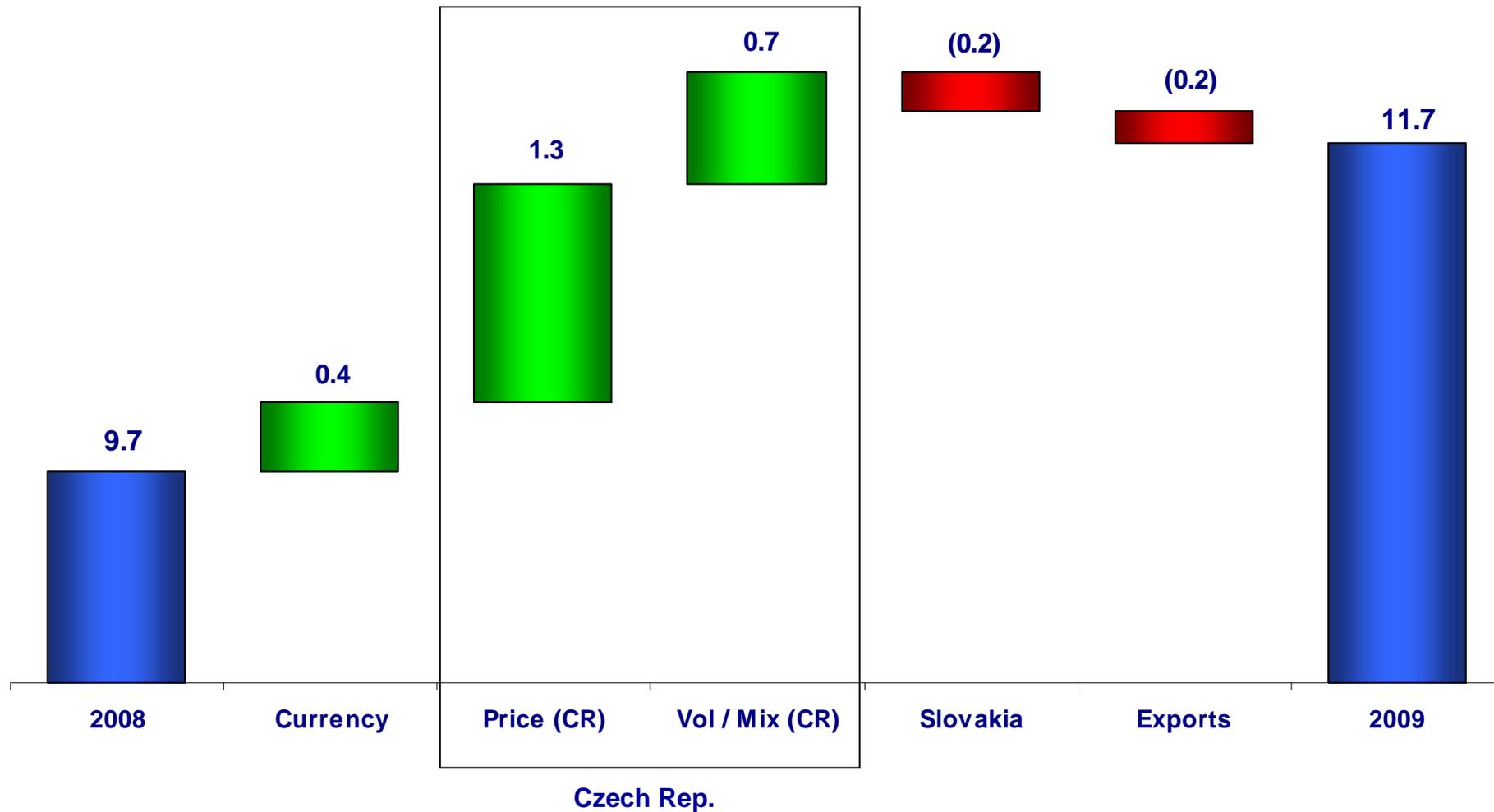
Shipments, Bio



- 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

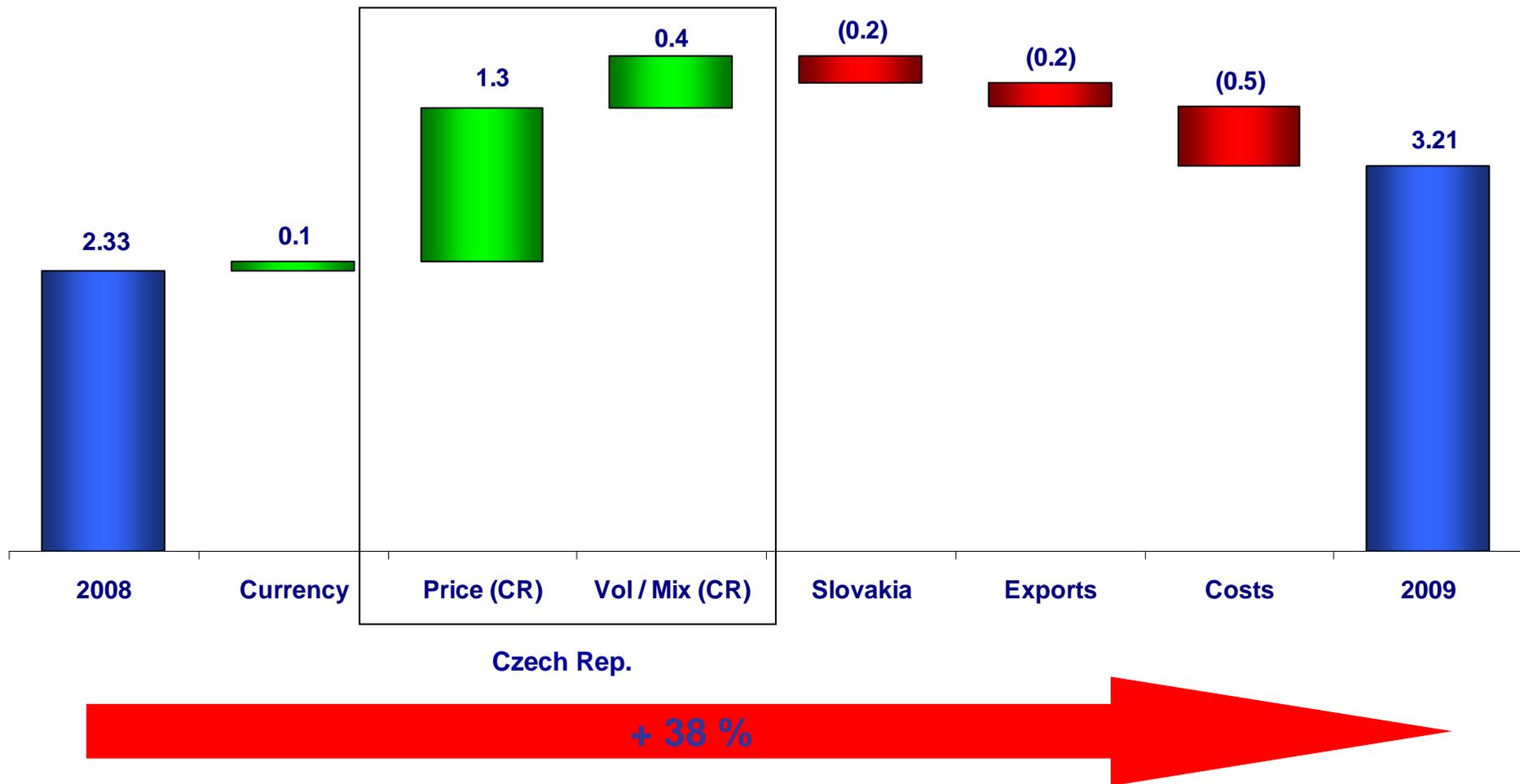
Consolidated Financial Results (CZK bio)



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.

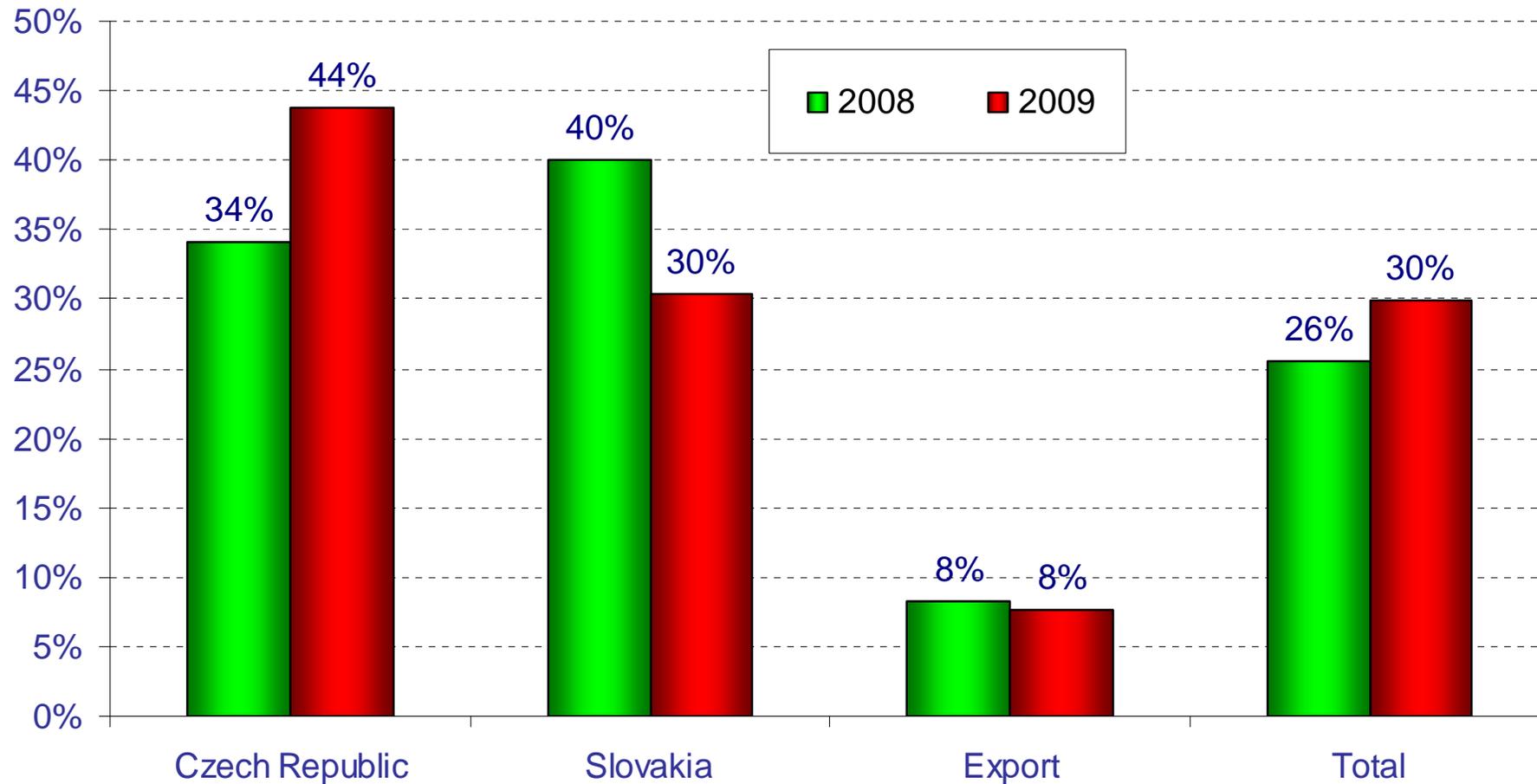
Profit from Operations

Consolidated Financial Results (CZK bio)



Margin Overview

Management profit from operations

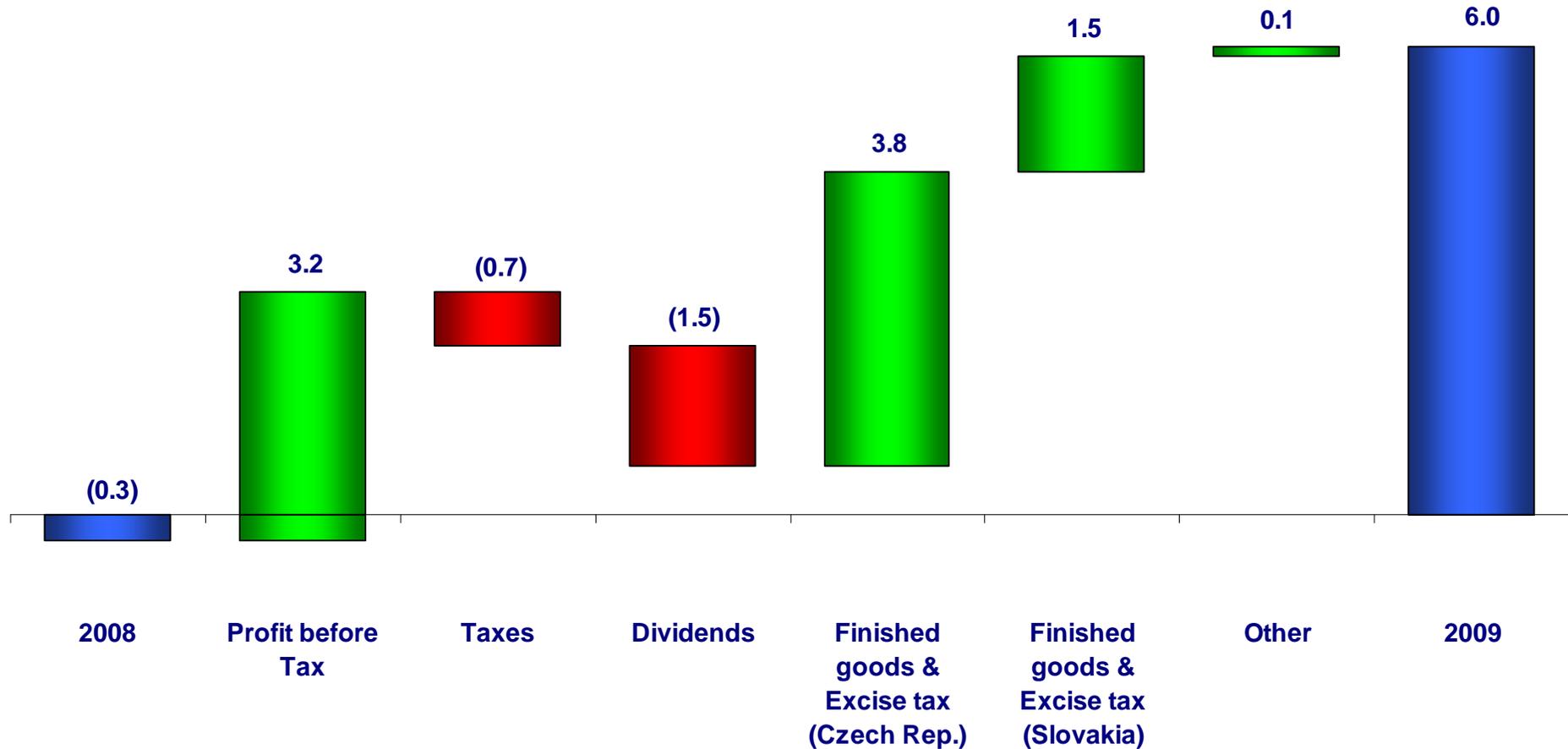


Czech Rep.: Increase due to high tax absorption costs in 2008 and 2009 pricing

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



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- 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