



PHILIP MORRIS ČR

Annual General Meeting of Shareholders of Philip Morris ČR a.s.

Kutná Hora
April 27, 2012

András Tövisi

Chairman of the Board of Directors

In 2012 we celebrate two anniversaries...

20|0



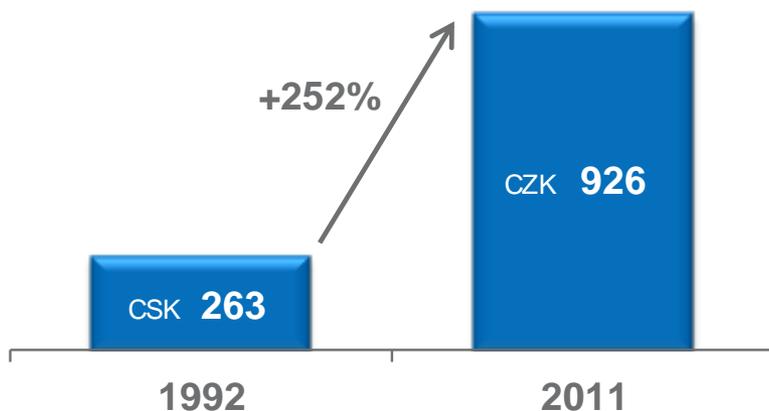
PHILIP MORRIS ČR

200 years of tobacco products manufacture in Kutná Hora

20 years of Philip Morris International Inc. presence in the Czech Republic

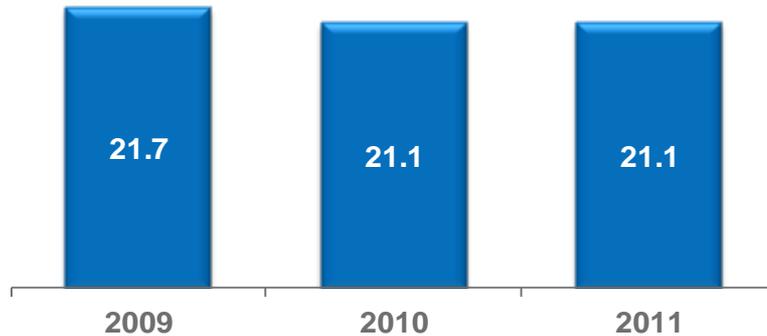
Key Highlights of 20 Years with PMI

Earnings per Share

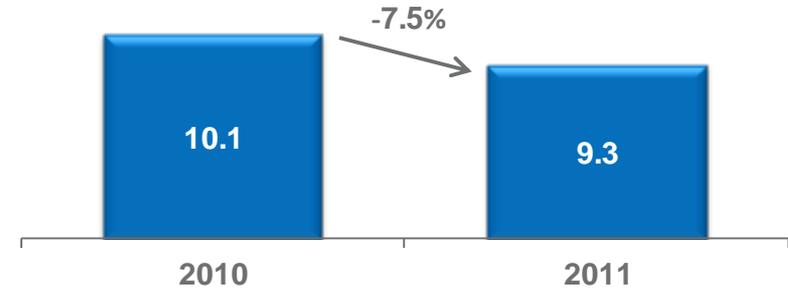


Cigarette Volume and Market Share Czech Republic

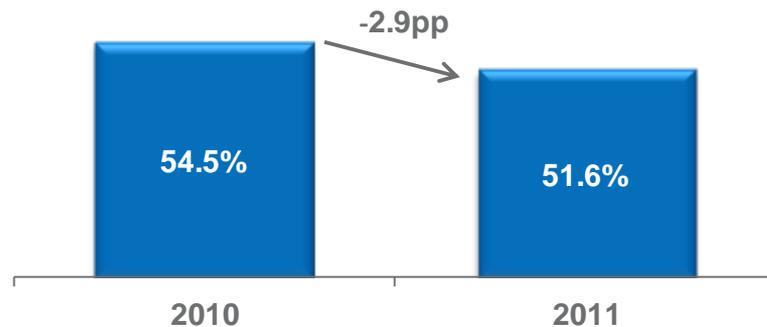
Total Market
(billion units)



Shipments
(billion units)



Market Share



No. 1



Shipments and market share impacted by:

- Losses of local heritage brands
- Partially offset by *Red & White* and *Marlboro*

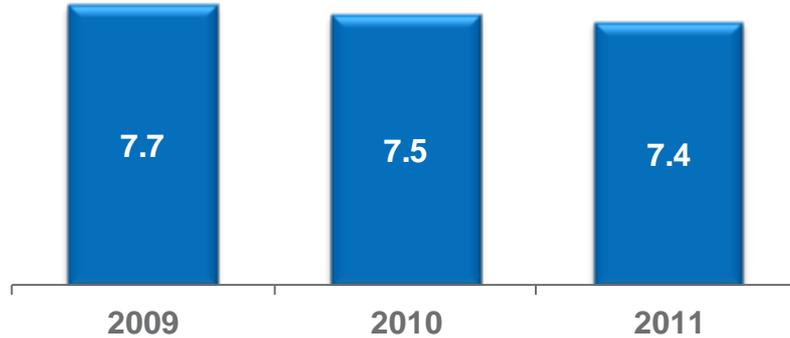
Tax & Price Increases Czech Republic

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

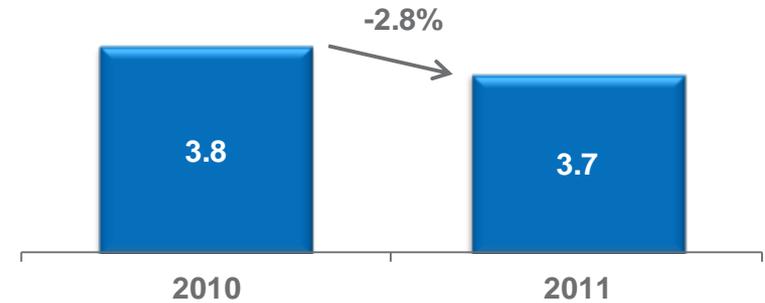
		<u>Dec '09</u>	<u>Dec '10</u>	<u>Dec '11</u>
Premium		82	82	84
Medium		66	69	72
Low		60	63	65

Cigarette Volume and Market Share Slovak Republic

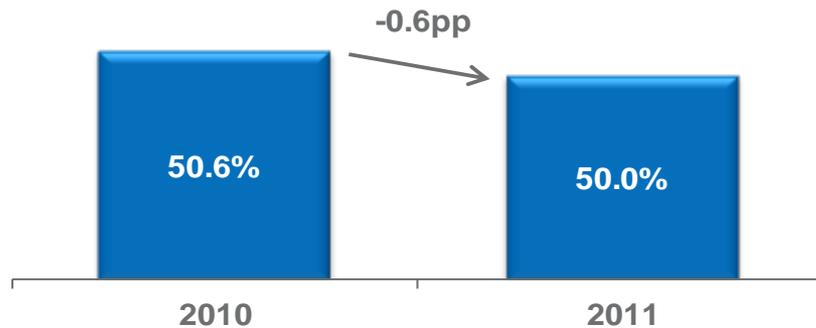
Total Market
(billion units)



Shipments
(billion units)



Market Share



No. 1



Market share impacted by:

- Down-trading to competitive low-price brands
- Losses of local heritage brands
- Partially offset by the strong performance of *L&M*

Tax & Price Increases Slovak Republic

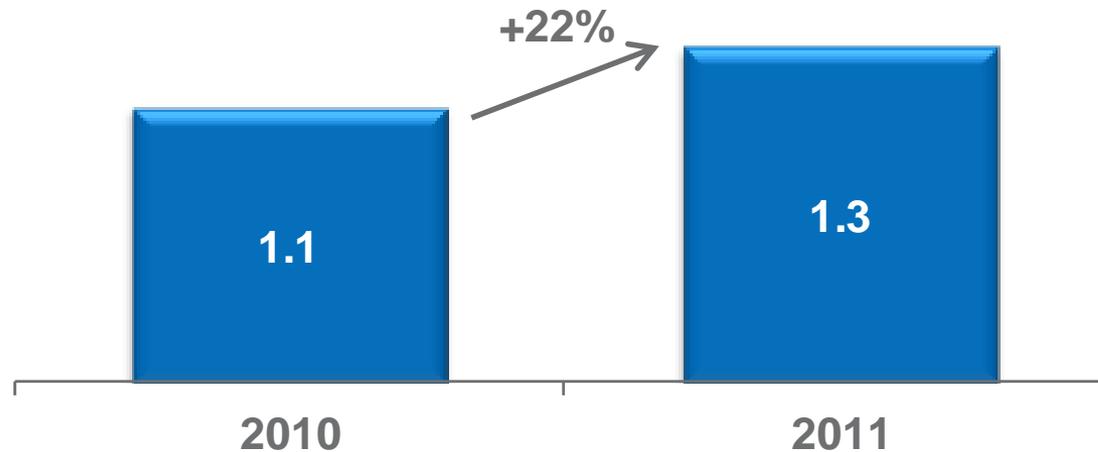
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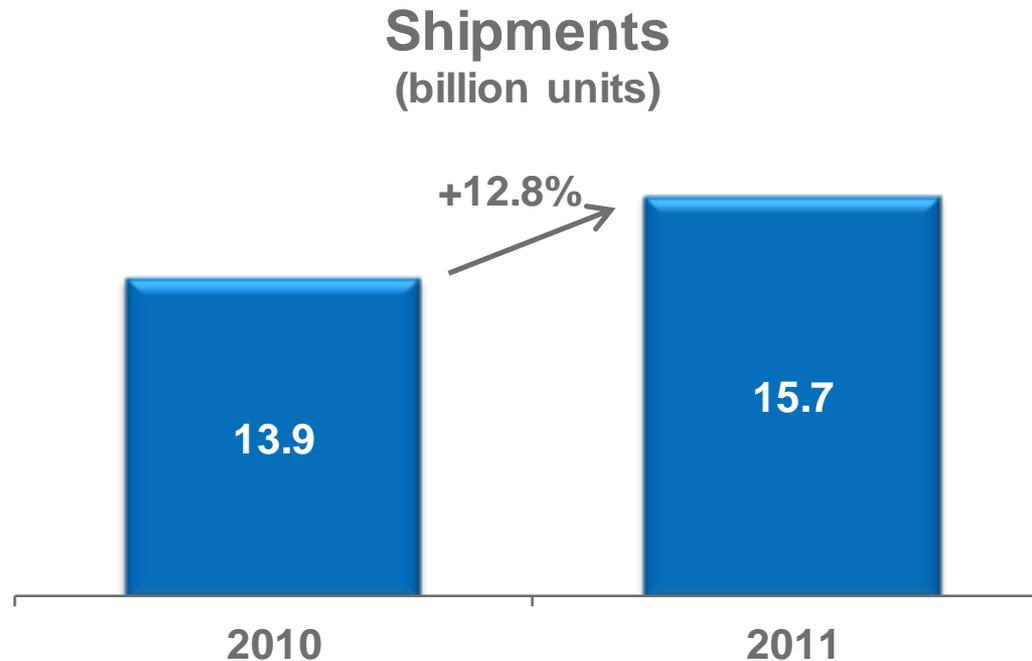
		<u>Dec '10</u>	<u>Dec '11</u>
Premium		3.00	3.20
Medium		2.60	2.60
Super Low		2.30	2.50
		2.25	2.40

Other Tobacco Products

Czech Republic

Fine Cut Tobacco Total Market - Czech Republic (billion cigarette equivalents)



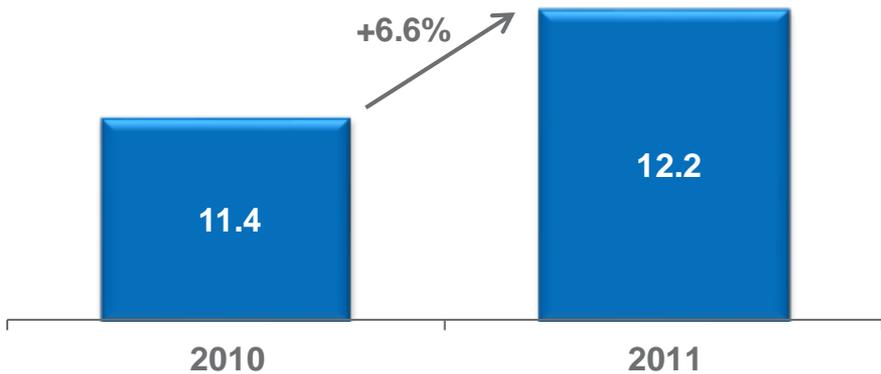


- Cigarettes up 1.3 billion (+9.7%)
- Other Tobacco Products up 0.5 billion (+96.1%)
- 2011 operations investments in Kutná Hora: CZK 0.4 billion

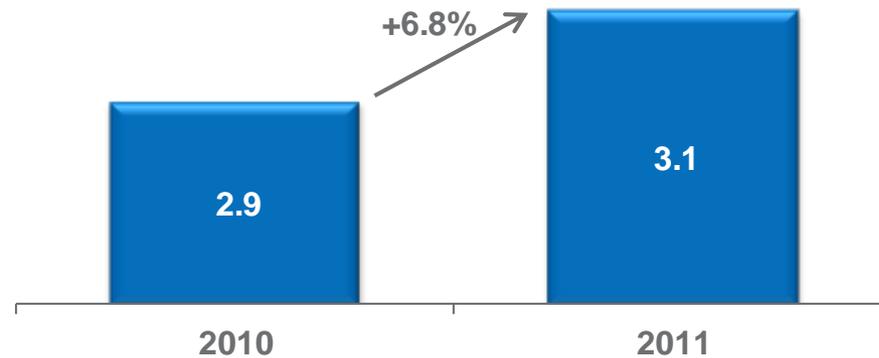
Business Overview

Consolidated Financial Results

Revenues
Net of Excise Tax & VAT
(CZK billion)



Profit from Operations
(CZK billion)



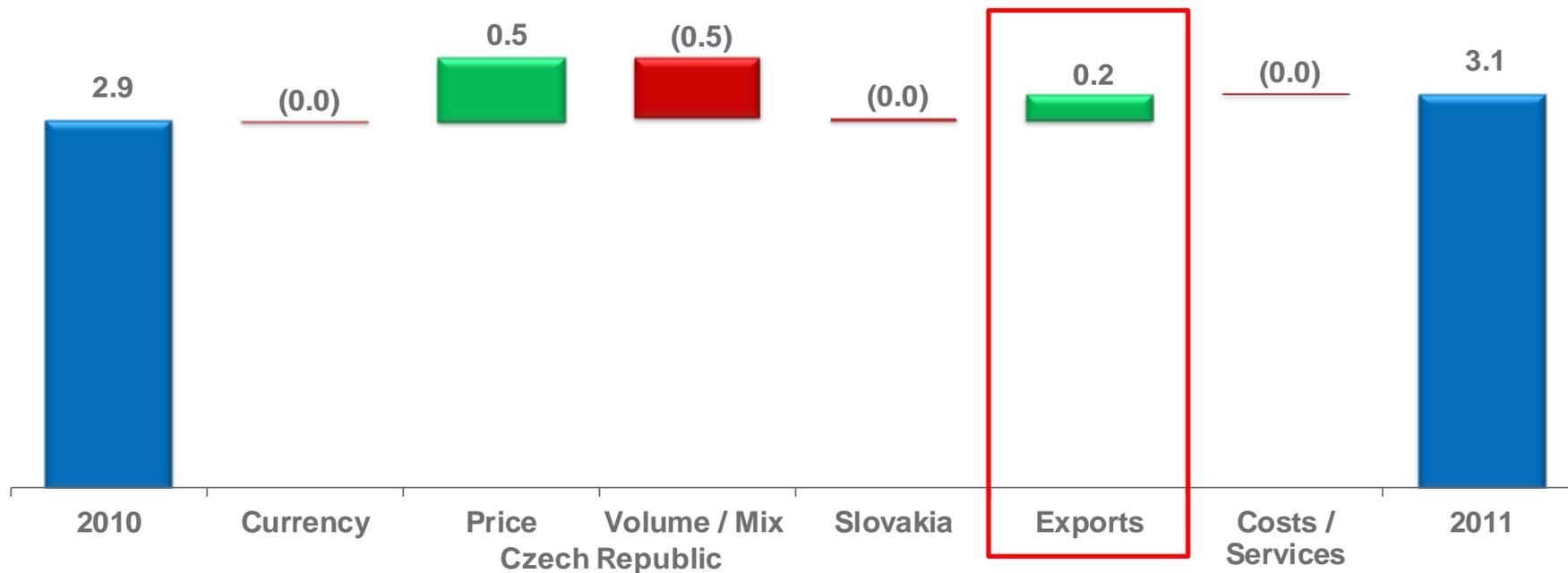
Revenues, Net of Excise Tax and VAT Consolidated Financial Results (CZK billion)



Excluding the impact of currency: increase of CZK 0.9 billion (+8.2%) driven primarily by higher exports to other PMI affiliates and by favourable pricing in the Czech Republic and Slovakia, partially offset by unfavourable volume/mix

Profit from Operations

Consolidated Financial Results (CZK billion)



Excluding the impact of currency: increase of CZK 0.2 billion (+7.4%) driven by higher exports to other PMI affiliates

Cash and Cash Equivalents

Consolidated Financial Results (CZK billion)



Decrease of CZK 1.2 billion mainly driven by the one-off payment of prior years' retained earnings

Minimum Excise Tax Development

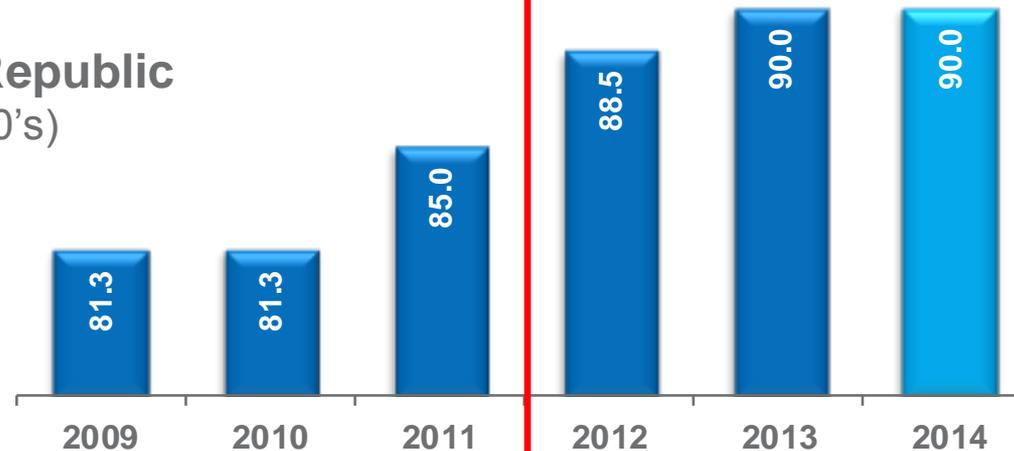
Min. eq. €90 / '000 cig.
(EU minimum)



Czech Republic (CZK / 000's)



Slovak Republic (EUR / 000's)



2012 Update

Czech Republic

	Dec '11	2012 Registered RSP's
Premium	84	86
Medium	72	74
Low	65	68

Slovak Republic

	Dec '11	2012
Premium	3.20	3.30
Medium	2.60	2.70
Super Low	2.50	2.60
	2.40	2.50

Note: Retail prices in CZK/pack of 20 cigarettes for Czech Republic and in EUR/pack of 19 cigarettes for Slovak Republic

Source: Price Gazettes of the Ministry of Finance (Czech Republic) and Philip Morris Slovakia s.r.o. price lists

Dividend Proposal

(CZK / share)	2009	2010	2011
Accumulated Retained Earnings	0	376	0
Net Income	780	884	920
Dividend Paid / Proposed	780	1,260	920