



PHILIP MORRIS ČR

ANNOUNCEMENT OF THE RESULTS OF THE ORDINARY GENERAL MEETING

of

Philip Morris ČR a.s.,

whose registered office is at Kutná Hora, Vítězná 1, Postal Code: 284 03,
identification number: 14803534,
registered in the Commercial Register maintained by the Municipal Court
in Prague, Section B, File 627

(the "**Company**"),

held

at the registered office

of the Company in

Kutná Hora, Vítězná 1, Postal Code: 284 03,

at 10 am on 28 April 2017

(the "**General Meeting**")

**Note: The English version of this document is published for informational purposes only.
The authoritative version of this document is the version published in the Czech language.**

1. Point 2 of the agenda of the General Meeting – Election of the Chairman of the General Meeting, Minutes Clerk, Minutes Verifiers and Scrutineers, and Approval of the Rules of Procedure and Voting Rules of the General Meeting:

1.1 The General Meeting elected Mr Martin Hájek as Chairman of the General Meeting, Ms Zuzana Dušková as Minutes Clerk of the General Meeting, Mr Milan Vácha and Ms Romana Jiroutová as Minutes Verifiers of the General Meeting and the following persons as Scrutineers of the General Meeting:

- (i) Petr Brant;
- (ii) Josef Nuhlíček.

2 396 745 valid votes (connected with 2 396 745 shares of the company), were cast, which represents 87,30% share of the capital of the Company.

Election of Chairman of the General Meeting, Minutes Clerk of the General Meeting, Minutes Verifiers of the General Meeting and Scrutineers of the General Meeting

	<u>Number of votes</u>	<u>% of votes present at the General Meeting</u>
FOR	2 392 780	99,829944
AGAINST	0	0,000000
ABSTAINED	3 965	0,165425
Non-participating and invalid votes	111	0,004631

1.2 The General Meeting approved the Rules of Procedure and Voting Rules of the General Meeting as proposed by the Board of Directors and published on the website www.philipmorris.cz on 28 March 2017.

2 250 836 valid votes (connected with 2 250 836 shares of the company), were cast, which represents 81,99% share of the capital of the Company.

Approval of the Rules of Procedure and Voting Rules

	<u>Number of votes</u>	<u>% of votes present at the General Meeting</u>
FOR	2 250 331	93,886783
AGAINST	505	0,021069
ABSTAINED	0	0,000000
Non-participating and invalid votes	146 020	6,092147

2. Point 3 and 5 of the agenda of the General Meeting – Proposal for the approval of the Report of the Board of Directors on the Business Activities of the Company, the 2016 ordinary financial statements, the 2016 ordinary consolidated financial statements and the proposal for the distribution of profit for the year 2016, including an indication of the amount and method of payment of a profit share (dividend):

The General Meeting adopted the following resolutions:

"The Report of the Board of Directors on the Business Activities of the Company in the wording submitted by the Company's Board of Directors is hereby approved."

"The ordinary financial statements of the Company for the 2016 calendar year accounting period are hereby approved."

"The ordinary consolidated financial statements of the Company for the 2016 calendar year accounting period are hereby approved."

"The Company's after-tax profit for the 2016 calendar year accounting period in the amount of CZK 2,765,864,608.17 will be paid in the amount of CZK 2,745,386,000.00 to the Company's shareholders as a profit share (dividend). The remaining profit in the amount of CZK 20,478,608.17 will be transferred to retained earnings from the prior years. The retained earnings from prior years in the amount of CZK 273,817,245.82 remained undistributed. A gross profit share (dividend) of CZK 1,000.00 will thus apply to each ordinary share of the Company with a nominal value of CZK 1,000, in view of the total number of these shares, i.e. 2,745,386. The Decisive Date for Exercising Profit (Dividend) Rights is 21 April 2017, i.e. profit shares (dividends) will be paid to shareholders who held shares of the Company as at 21 April 2017.

Shareholders will be paid profit shares (dividends) through Česká spořitelna, a.s., a company whose registered office is in Prague 4, Olbrachtova 1929/62, postcode: 140 00, identification number: 452 44 782, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 1171.

Česká spořitelna, a.s. will send a "Notification of the Payment of Proceeds from Securities" to each shareholder in the Czech Republic and abroad, to the shareholder's address specified in the extract from the Issue Register of the Company maintained by Central Securities Depository – Centrální depozitář cenných papírů, a.s. as at 21 April 2017 in the case of book-entered shares and to the shareholder's address specified in the list of the Company's shareholders as at 21 April 2017 in the case of certificated shares.

Profit shares (dividends) will be paid to the shareholders who are individuals during the payment period by bank money transfer to the shareholder's account specified in the list of the Company's shareholders. Profit share (dividend) will be paid to the shareholders who are individuals owning book-entered shares listed in the records of book-entered securities maintained pursuant to a special legal regulation by bank money transfer after the shareholder submits all the necessary documents, including a certificate of tax domicile and a declaration by the actual owner of the shares if a shareholder who is a tax resident of a country other than the Czech Republic requests the application of a special withholding tax rate. In the case of shareholders who are individuals with a permanent residence in the territory of the Czech Republic, the profit share (dividend) may also be paid at all branches of Česká spořitelna, a.s. in cash, subject to the presentation of a valid ID card. If a shareholder who is also a tax resident of a country other than the Czech Republic requests the application of a special withholding tax rate, this shareholder will be obliged to submit, along with presentation of their valid ID card, a certificate of their tax domicile and a declaration of the actual owner.

The payment period will be from 29 May 2017 to 31 March 2018. All information regarding the payment of a profit share (dividend) to shareholders will be provided at the branches of Česká spořitelna, a.s.

Shareholders who are legal entities will also be paid profit shares (dividends) through Česká spořitelna, a.s. in accordance with the rules defined above.

Profit shares (dividends) will be paid to the shareholders who are legal entities by bank money transfer to the bank account of the shareholder specified in the list of the Company's shareholders. Profit share (dividend) will be paid to the shareholders who are legal entities owning book-entered shares listed in the records of book-entered securities maintained pursuant to a special legal regulation by bank money transfer after the shareholder submits all the necessary documents, including a certificate of tax domicile and a declaration of the actual owner if a shareholder who is a tax resident of a country other than the Czech Republic requests the application of a special withholding tax rate.

Contact persons at Česká spořitelna, a.s.:

*Department: Back Office of Investment Products
Naděžda Šmídová
E-mail: nsmidova@csas.cz*

*Hana Hendrychová
E-mail: hhendrychova@csas.cz*

Telephone: 956 765 438

*Contact address for delivery of documents for payments:
Department 8430
Budějovická 1518/13a,b,
140 00 Prague 4”*

2 389 896 valid votes (connected with 2 389 896 shares of the company), were cast, which represents 87,05% share of the capital of the Company.

Approval of the Report of the Board of Directors on the Company's business activities

	<u>Number of votes</u>	<u>% of votes present at the General Meeting</u>
FOR	2 383 161	99,424105
AGAINST	3 164	0,132000
ABSTAINED	3 571	0,148980
Non-participating and invalid votes	7 069	0,294915

2 390 401 valid votes (connected with 2 390 401 shares of the company), were cast, which represents činí 87,07% share of the capital of the Company.

Approval of the 2016 ordinary financial statements

	<u>Number of votes</u>	<u>% of votes present at the General Meeting</u>
FOR	2 383 666	99,445173

AGAINST	3 164	0,132000
ABSTAINED	3 571	0,148980
Non-participating and invalid votes	6 564	0,273846

2 390 401 valid votes (connected with 2 390 401 shares of the company), were cast, which represents 87,07% share of the capital of the Company.

Approval of the 2016 ordinary consolidated financial statements

	<u>Number of votes</u>	<u>% of votes present at the General Meeting</u>
FOR	2 383 161	99,424105
AGAINST	3 669	0,153069
ABSTAINED	3 571	0,148980
Non-participating and invalid votes	6 564	0,273846

2 390 401 valid votes (connected with 2 390 401 shares of the company), were cast, which represents 87,07% share of the capital of the Company.

Approval of the proposal for the distribution of profit for 2016, including the amounts and method of payment of dividends

	<u>Number of votes</u>	<u>% of votes present at the General Meeting</u>
FOR	2 383 161	99,424105
AGAINST	3 164	0,132000
ABSTAINED	4 076	0,170048
Non-participating and invalid votes	6 564	0,273846

3. Point 6 of the agenda of the General Meeting Appointment of the Company's Auditor:

The General Meeting appointed PricewaterhouseCoopers Audit, s.r.o., whose registered office is at Hvězdova 1734/2c, Nusle, Prague 4, Postal Code 140 00, the Czech Republic, identification number: 407 65 521, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, File 3637, as an auditor of the Company for the 2017 calendar year accounting period.

2 396 696 valid votes (connected with 2 396 696 shares of the company) were cast, which represents 87,30% share of the capital of the Company.

Appointment of the auditor of the Company

	<u>Number of votes</u>	<u>% of votes present at the General Meeting</u>
FOR	2 393 120	99,839589
AGAINST	58	0,002420
ABSTAINED	3 518	0,146769
Non-participating and invalid votes	269	0,011223

In Kutná Hora on 28 April 2017

Árpád Könye
Chairman of the Board of Directors
Philip Morris ČR a.s.

Stanislava Juríková
Member of the Board of Directors
Philip Morris ČR a.s.