



PHILIP MORRIS ČR

The Board of Directors of Philip Morris ČR a.s., with the registered office at Vítězná 1, Kutná Hora, Postal Code 284 03, identification number: 14803534, announces that the General Meeting of shareholders decided on April 28, 2017 that 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.



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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



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