



PHILIP MORRIS ČR

In Kutná Hora, on September 29, 2010

PRESS RELEASE

Philip Morris ČR a.s. invests CZK 750 million in Kutná Hora

The company's expanded manufacturing facilities inaugurated

by the President of the Czech Republic

Mr. Václav Klaus, the President of the Czech Republic, inaugurated today the new, modernized section of the Philip Morris ČR a.s. manufacturing site in Kutná Hora.

This CZK 750 million investment reflects Philip Morris ČR a.s. commitment to doing business in the Czech Republic and provides the company with even more flexibility and production capabilities, enhancing its competitiveness and export outreach. With the expansion of its manufacturing facilities, the Kutná Hora factory, which in the 90s served primarily as the production site for only Czech and Slovak markets, has broadened its export platform to include today more than fifty countries around the world.

Mr. President highlighted the stability and reliability of Philip Morris ČR a.s. in the Czech economy. He noted the progress the company has made within the last fifteen years since he inaugurated the factory's upgrade in 1995, just a few years after the privatization of Tabak State Monopoly.

Mr. President said in his speech "I am very delighted by the investment and wish the company all the best. I firmly believe that the proposed regulatory measures will, in the end, gain no support as they tend to restrict the individual freedoms as well as business".

Mr. Alvis Giustiniani, Philip Morris ČR a.s. Managing Director and Chairman of the Board of Directors, said "*We are convinced that this investment, one of the biggest investments in Philip Morris ČR a.s. history, is made at the appropriate time. At the time when the Czech economy needs such initiatives.*"

The new investment provides unique working environment for all employees.

Mr. Walter Veen, Director Operations of Kutná Hora factory stated: "*We have excellent people in place and with this investment we are now capable to service additional export markets and provide them with high quality, innovative products. This investment will enhance our competitiveness and provides us with solid grounds for the years to come.*"

The modernized Philip Morris ČR a.s. production facility is capable to produce up to 40 billion cigarette units annually, directly employs around 880 employees and provides work opportunities for additional 250 people in outsourced businesses. The factory accommodates the manufacturing of innovative products, while it is also equipped with an upgraded tobacco laboratory which conducts thorough quality control and technical research on cigarettes and other tobacco products manufactured by the company.

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The factory of Philip Morris ČR a.s. is the only cigarette and tobacco production site in the Czech Republic and has been continuously modernized and upgraded since 1992 when Philip Morris CR a.s. privatized what then used to be the state tobacco monopoly.

About Philip Morris ČR a.s.:

Philip Morris ČR a.s., an affiliate of Philip Morris International Inc., is the largest producer of tobacco products in the Czech Republic. The company, which is present in the country since 1992, employs approximately 1,200 people across the Czech Republic and produces 9 cigarette brand families in 64 cigarette variants as well as 2 variants of roll-your-own tobacco for the Czech tobacco market. It operates the only tobacco and cigarette manufacturing facility in the Czech Republic. During the first half of 2010, the company held a 54.3% market share in the Czech Republic and 52.3% in Slovakia, according to AC Nielsen data. For more than 17 years, Philip Morris ČR a.s. operates the PMČR Charitable Fund that supports several charitable projects, including the development of social programs aimed at improving the living conditions of local communities. For more information, see www.philipmorris.cz