



PHILIP MORRIS ČR

PRESS RELEASE

The ordinary General Meeting of Shareholders of Philip Morris ČR a.s. approves the Company's Financial Statement for 2010

Kutná Hora, April 29, 2011 - Philip Morris ČR a.s. held its ordinary General Meeting of Shareholders at the premises of its Kutná Hora factory today.

Alvise Giustiniani, the Chairman of the Board of Directors and the Managing Director of Philip Morris ČR a.s., noted that the shareholders approved, among other points on the agenda, the Report of the Board of Directors, the 2010 consolidated financial statements and the 2010 ordinary financial statements.

"2010 was another difficult year marked by adverse economic conditions leading to a significant drop in domestic cigarette consumption. Consumers continued to down-trade to cheaper tobacco products and consequently, close to 70%¹ of all cigarettes sold on the Czech duty paid market were in the low price segment," said Alvise Giustiniani, Chairman of the Board of Directors and Managing Director of Philip Morris ČR a.s., the affiliate of Philip Morris International Inc. responsible for the business in the Czech Republic and Slovakia.

"In addition, we witnessed an increase of the demand for roll-your-own tobacco, which grew by over 20%² versus 2009, as well as an increase of the illicit trade in cigarettes" added Alvise Giustiniani.

The Annual General Shareholders' Meeting also approved a dividend payment of CZK 1 260 per share.

"Retained earnings accumulated over a period of more than 10 years allow us to pay this year a gross dividend up by more than 40%," said Daniel Gordon, member of Philip Morris ČR a.s. Board of Directors and Finance Director.

The Board of Directors of Philip Morris ČR a.s. has also announced a change in the company's senior management.

¹ Source: Ministry of Finance of the Czech Republic.

² Source: official government statistics.

Philip Morris ČR a.s.

Sídlo: Kutná Hora
Vítězná 1
PSČ 284 03
Česká republika

IČ: 14803534

DIČ: CZ 14803534
zapsaná v obchodním rejstříku
vedeném Městským soudem
v Praze, odd. B, vložka 627

kontaktní adresa:

Karlovo náměstí 10
120 00 Praha
Tel.: (+420) 266 702 111
www.philipmorris.cz



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After more than three years of successful leadership of the affiliates of Philip Morris International in the Czech Republic, Slovakia and Hungary, Alvise Giustiniani has been appointed to the position of Area Vice President Thailand, Hong Kong, Taiwan, Indochina & Bangladesh. Consequently, effective June 1, 2011 the position of Managing Director Czech & Slovak Republic & Hungary will be assumed by András Tövisi, currently the Managing Director of Philip Morris Hungary.

Philip Morris ČR a.s. profile:

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 has been present in the country since 1992, employs approximately 1,200 people across the Czech Republic and produces nine cigarette brand families in 72 cigarette variants as well as three variants of roll-your-own tobacco. It operates the only tobacco and cigarette manufacturing facility in the Czech Republic. According to retail audit research conducted by A.C. Nielsen, the company held a 54.0% market share in the Czech Republic and 50.6% in Slovakia in 2010. For more than 18 years, Philip Morris ČR operates the PMČR Charitable Fund that supports several charitable projects, including the development of social programs aimed at improving the living conditions in local communities. For more information, see www.philipmorris.cz.

Philip Morris International Inc. (PMI) profile:

PMI is the leading international tobacco company, with 7 of the world's top 15 brands, including *Marlboro*, the number one cigarette brand worldwide. PMI's products are sold in approximately 180 countries. In 2010, the company held an estimated 16.0% share of the total international cigarette market outside of the U.S., or 27.6% excluding the People's Republic of China and the U.S. For more information, see www.pmi.com.

The Board of Directors
Philip Morris ČR a.s.

Philip Morris ČR a.s.

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