



PHILIP MORRIS ČR

In Kutná Hora on November 13, 2014

PRESS RELEASE

Philip Morris ČR a.s. reports financial results for the third-quarter and nine months ended September 30, 2014

Philip Morris ČR a.s. today reported consolidated net revenues of CZK 10.2 billion for the first nine months of 2014, an increase of 10.2% compared to the same period in 2013.

Highlights for the first nine months ended September 30, 2014 include:

- Consolidated revenues, net of excise tax and VAT, up by 10.2% to CZK 10.2 billion, or by 5.9% excluding the favorable impact of currency;
- Total cigarette market decline of 0.1% in the Czech Republic and increase of 2.4% in Slovakia;
- Market share decline of 2.7 percentage points in the Czech Republic and increase of 1.4 percentage points in Slovakia; and
- Shipment volume increase of 6.6% in the Czech Republic and increase of 7.4% in Slovakia.

“While our consolidated revenues in the first nine months of 2014 grew primarily driven by favorable pricing and volume/mix in both the Czech Republic and Slovakia, our market share in the Czech Republic remained under pressure, reflecting the impact of continued consumer down-trading to low-price cigarettes and lower taxed fine cut tobacco products.” said András Tövisi, 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 company’s business in the Czech Republic and Slovakia.

On this note Tövisi said: *“Although our cigarette market share in the Czech Republic was unfavorably impacted primarily by the continued decline of our local brands and Red & White, this was partially offset by higher shares for our key international focus brands Marlboro, L&M and Chesterfield. Marlboro’s growth was partially driven by the successful launch of two innovations, both being new to the Czech market: Marlboro Fuse Beyond, the first product with two mentholated capsules in its filter and Marlboro PSP, the first protected soft pack proposition. Our market share in Slovakia continued to grow steadily, mostly driven by share gains of Marlboro and L&M. L&M further strengthened its position as the market’s best-selling cigarette brand.”*

The full Interim Management Statement for the Third-Quarter and Nine Months Ended September 30, 2014 is available at:

http://www.pmi.com/en_cz/about_us/philip_morris_cr_shareholder_information/documents/Interim_Management_Statement_for_the_Third_Quarter_and_Nine_Months_Ended_September_30_2014.pdf

The Board of Directors
Philip Morris ČR a.s.

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Philip Morris ČR a.s.

Philip Morris ČR a.s., an affiliate of Philip Morris International Inc., is the largest manufacturer and distributor of tobacco products in the Czech Republic and is listed on the Prague Stock Exchange (Burza cenných papírů Praha). The company, which has been present in the country since 1992, employs approximately 1 100 people across the Czech Republic and its portfolio comprised eight brands in 2013. Philip Morris ČR a.s. has a 99% interest in Philip Morris Slovakia s.r.o. registered in the Slovak Republic. Over the past 21 years, Philip Morris ČR a.s. has supported numerous charitable projects, including the development of social programs aimed at improving living conditions in local communities. For more information, see www.philipmorris.cz.

Philip Morris International Inc. (PMI)

PMI is the leading international tobacco company, with seven of the world's top 15 international brands, including *Marlboro*, the number one cigarette brand worldwide. PMI's products are sold in more than 180 markets. In 2013, the company held an estimated 15.7% share of the international cigarette market outside of the U.S., or 28.3% excluding the People's Republic of China and the U.S. For more information, see www.pmi.com.