



PHILIP MORRIS ČR

In Kutná Hora, on March 30, 2015

PRESS RELEASE

The Board of Directors of Philip Morris ČR a.s. calls for an Ordinary General Meeting; announces 2014 full-year financial results and proposes profit distribution

The Board of Directors of Philip Morris ČR a.s. announced today that the Ordinary General Meeting of its shareholders will take place on April 30, 2015, at 10:00 a.m. at the Company's registered office in Kutná Hora.

Shareholders holding shares of Philip Morris ČR a.s. on April 23, 2015 will be entitled to attend the Ordinary General Meeting and exercise their shareholder rights.

Jointly with the invitation and the agenda of the Ordinary General Meeting, the Board of Directors of Philip Morris ČR a.s. announced the financial results for the year ended December 31, 2014. The results are based on the consolidated financial statements of Philip Morris ČR a.s. and Philip Morris Slovakia s.r.o., prepared in accordance with International Financial Reporting Standards.

Highlights for the full year 2014:

- Consolidated revenues, net of excise tax and VAT, up by 10.0% to CZK 14 billion, or by 6.9% excluding currency
- Consolidated net income up by 1.5% to CZK 2.8 billion, or by 3.8% excluding currency
- Total cigarette market increase of 1.6% in the Czech Republic and 1.8% in Slovakia
- Cigarette share decline of 1.2 percentage points in the Czech Republic and increase of 3.3 percentage points in Slovakia;
- Shipment volume increase of 7.6% in the Czech Republic and 7.5% in Slovakia; export volume up by 12.7%

Note: RGD is included in the share and shipment volume as of April 1, 2014.

“The growth of our 2014 consolidated revenues and net income was primarily driven by favorable pricing and higher shipments in both the Czech Republic and Slovakia, helped by higher total market volumes in both markets, and a higher market share in Slovakia. However, our 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 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*

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shares for our key international brands, Marlboro, L&M, Chesterfield and Philip Morris. Our continued focus on product innovation delivered encouraging results, with Marlboro's growth helped by the successful launch of Marlboro Fuse Beyond, the first product on the Czech market with two mentholated capsules in its filter, while Philip Morris Fresh Caps, the first slims cigarette on the market with a capsule filter, quickly became a key contributor to Philip Morris' growth. L&M and Chesterfield benefited from the consolidation of our portfolio of some of our declining local brands at the end of 2013. Our market share in Slovakia continued to grow steadily, mostly driven by the further share gains of Marlboro, L&M and Philip Morris. Marlboro benefited from product innovations launched for the first time in Slovakia, such as Marlboro Fuse Beyond and Marlboro Micro Beyond, the first super-slim cigarette with a mentholated capsule in its filter."

The 2014 Annual Report is available at

http://www.pmi.com/en_cz/about_us/philip_morris_cr_shareholder_information/Pages/Annual_Report_2014.pdf

Proposal for a profit distribution

The Board of Directors of Philip Morris ČR a.s. has made a proposal for a gross dividend distribution of the net profit of 2014 and retained earnings from prior years in the amount of CZK 880 per share, i.e., a total amount of CZK 2 415 939 680.

The dividend record date is April 23, 2015. The dividend proposal has been reviewed and approved by the Supervisory Board and will be submitted for approval to shareholders at the Ordinary General Meeting.

Documents and information relating to the Ordinary General Meeting

Documents and information relating to the Ordinary General Meeting, which must be published pursuant to applicable Czech laws, as well as a template of the power of attorney granting the right to represent the shareholder at the Ordinary General Meeting, will be available at the Company's registered office: Kutná Hora, Vítězná 1, Postcode 284 03, on business days from March 30, 2015 until April 30, 2015, from 2:00 p.m. until 5:00 p.m. All the above information and documents are also published in a manner allowing remote access at www.philipmorris.cz.

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 2014. Philip Morris ČR a.s. has a 99% interest in Philip Morris Slovakia s.r.o. registered in the Slovak Republic. For more information, see www.philipmorris.cz.

Philip Morris International Inc. (PMI)

PMI is the leading international tobacco company, with six 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 2014, the company held an estimated 15.6% share of the international cigarette market outside of the U.S., or 28.6% excluding the People's Republic of China and the U.S. For more information, see www.pmi.com.