



## PHILIP MORRIS ČR

In Kutná Hora, on March 29, 2016

PRESS RELEASE

### **The Board of Directors of Philip Morris ČR a.s. calls for an Ordinary General Meeting; announces 2015 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 29, 2016, 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 22, 2016 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, 2015. 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 2015:**

- Consolidated net income up by 14% to CZK 2.6 billion;
- Consolidated revenues, net of excise tax and VAT, down by 22.7 % to CZK 10.9 billion, or by 22.5% excluding currency, due to the change of operating model in production from January 1, 2015;
- Total cigarette market increase of 1.7% in the Czech Republic and 0.9% in Slovakia;
- Cigarette share decline of 1.5 share points in the Czech Republic and increase of 1.9 share points in Slovakia;
- Shipment volume increase of 2.1% in the Czech Republic and 4.2% in Slovakia

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

*“The solid growth of our 2015 net income was primarily driven by favourable pricing and higher shipments in both the Czech Republic and Slovakia, helped by a higher total market in both countries and higher market share in Slovakia, partially offset by lower share in the Czech Republic.*

*Our consolidated revenues were primarily impacted by the change of our operating model in production from January 1, 2015. Our factory now operates as a manufacturing service provider, compared to a contract manufacturer in the past. This resulted Philip Morris CR a.s. not owning materials for production any longer, but being remunerated for the service of transformation of materials into finished goods in a form of a manufacturing service fee,” said András Tövisi, Chairman of the Board of Directors*

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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.

*Tövisi added: "Although our market share in the Czech Republic was unfavourably impacted primarily by the continued decline of our local brands and Red & White, this was partially offset by higher shares for L&M, Philip Morris and Chesterfield. L&M's and Philip Morris' growth was mainly driven by the continued success of product innovations in the expanding segments of slimmer diameter and capsule filter cigarettes, such as L&M Loft 2 in 1, L&M Sea Blue and Philip Morris Fresh Caps. Chesterfield's growth was helped by further optimization of our brand portfolio through the migration of all key Red & White variants to Chesterfield in September 2015.*

*Our market share in Slovakia continued to grow steadily, mostly driven by further share gains of Marlboro and L&M. Marlboro benefited from the continued success of innovative products, such as the first super slim diameter capsule product in the Slovak market, Marlboro Micro Beyond, launched in 2014."*

**The 2015 Annual Report is available at:**

[http://www.pmi.com/cs\\_cz/about\\_us/philip\\_morris\\_cr\\_shareholder\\_information/pages/vyrocní\\_zpráva\\_2015.pdf](http://www.pmi.com/cs_cz/about_us/philip_morris_cr_shareholder_information/pages/vyrocní_zpráva_2015.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 2015 in the amount of CZK 920 per share, i.e., a total amount of CZK 2 525 755 120.

The dividend record date is April 22, 2016. 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 29, 2016 until April 29, 2016, 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](http://www.philipmorris.cz).

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 seven brands in 2015. Philip Morris ČR a.s. has a 99% interest in Philip Morris Slovakia s.r.o. registered in the Slovak Republic. Over the past 24 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](http://www.philipmorris.cz).

### **Philip Morris International Inc. (“PMI”)**

PMI is the world’s leading international tobacco company, with six of the world’s top 15 international brands and products sold in more than 180 markets. In addition to the manufacture and sale of cigarettes, including *Marlboro*, the number one global cigarette brand, and other tobacco products, PMI is engaged in the development and commercialization of Reduced-Risk Products (“RRPs”). RRP is the term PMI uses to refer to products with the potential to reduce individual risk and population harm in comparison to smoking cigarettes. Through multidisciplinary capabilities in product development, state-of-the-art facilities, and industry-leading scientific substantiation, PMI aims to provide an RRP portfolio that meets a broad spectrum of adult smoker preferences and rigorous regulatory requirements. For more information, see [www.pmi.com](http://www.pmi.com) and [www.pmiscience.com](http://www.pmiscience.com).