



## PHILIP MORRIS ČR

In Kutná Hora, on April 28, 2017

PRESS RELEASE

### **Philip Morris ČR a.s. holds Ordinary General Meeting of Shareholders; Approves the Company's 2016 Financial Statements; Launch of a Smoke-Free Product announced**

#### **Resolutions adopted by the Ordinary General Meeting of Shareholders**

Philip Morris ČR a.s. held today its Ordinary General Meeting of Shareholders at the premises of its Kutná Hora factory.

Árpád Könye, Chairman of the Board of Directors of Philip Morris ČR a.s., noted that the shareholders approved the Report of the Board of Directors, the 2016 consolidated financial statements and the 2016 separate financial statements, among other points on the agenda.

*"The growth of our 2016 net income and consolidated revenues, net of excise tax and VAT, was solid. This was driven by a number of factors, including favourable volume/mix in the Czech Republic and Slovakia, as well as favourable pricing in the Czech Republic, helped by a higher total market in both countries and higher market share both in the Czech Republic and Slovakia,"* said Árpád Könye.

The Ordinary General Meeting of Shareholders also approved an annual gross dividend payment of CZK 1000.

*"The approved dividend represents almost the full 2016 earnings, granting a 7.6% gross dividend yield to our shareholders, based on the share price as at December 30, 2016,"* said Árpád Könye.

#### **Launch of IQOS and HEETS FROM MARLBORO in the Czech Republic and IQOS and HEETS in Slovakia in the second half of 2017**

The company also announced and provided further details on launch of smoke-free products – HEETS FROM MARLBORO and IQOS in the Czech Republic and HEETS and IQOS in Slovakia in the second half of 2017. IQOS is an electronic device that heats specially designed tobacco sticks (called HEETS FROM MARLBORO, or HEETS) at temperatures well below combustion levels and produces a tobacco based aerosol that provides real tobacco taste and satisfaction while reducing the levels of harmful and potentially harmful chemicals generated on average by 90 - 95% compared to the smoke of a standard reference cigarette, designed for scientific research purposes.\*

Philip Morris International (PMI), the group to which Philip Morris ČR a.s. belongs, is conducting extensive studies to prove the risk reduction potential of IQOS. Studies are well advanced, and all findings to date indicate IQOS is likely to present less risk of harm than cigarette smoking.

*"The launch of IQOS will mark a major milestone towards a smoke-free future. Our ambition is that one day potentially less harmful alternatives replace cigarettes to the benefit of adult smokers, our company and wider society,"* commented Árpád Könye.

*\*Average of the reductions in the concentrations (weight per stick) of individual HPHCs measured in the IQOS aerosol compared to the smoke from a standard 9.4 mg 'tar' reference cigarette (3R4F). Aerosol and smoke collections performed under the Health Canada Intense machine-smoking regime (55 mL puff volume, 2 second puff duration, 30 second interval puff). Reduction calculations exclude nicotine.*

The Board of Directors  
Philip Morris ČR a.s.

**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 more than 1000 people across the Czech Republic and its portfolio comprised six brands in 2016. Philip Morris ČR a.s. has a 99% interest in Philip Morris Slovakia s.r.o. registered in the Slovak Republic. Over the past 25 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 that present, are likely to present, or have the potential to present less risk of harm to smokers who switch to these products versus continued smoking. 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).