



PHILIP MORRIS ČR

In Kutná Hora, on April 26, 2019

PRESS RELEASE

Philip Morris ČR a.s. holds Ordinary General Meeting of Shareholders; Approves the Company's 2018 Financial Statements

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., the affiliate of Philip Morris International Inc responsible for the company's business in Czechia and Slovakia, noted that the shareholders approved the Report of the Board of Directors, the 2018 consolidated financial statements and the 2018 separate financial statements, among other points on the agenda.

„The growth of our 2018 revenues, net of excise taxes and VAT, was driven by favorable pricing on our combustible portfolio¹ in both Czechia and Slovakia and sales of IQOS devices and HEETS. Our operating expenses increased by approximately CZK 1.4 bio due to incremental costs associated with IQOS commercialization. Considering the limited risk distributor arrangement with regards to commercialization of IQOS, where our remuneration model is set on the basis of margin on revenues from sales, the growth of our net operating income was driven solely by favorable pricing on our combustible products.“ said Árpád Könye.

The Ordinary General Meeting of Shareholders also approved an annual gross dividend payment of CZK 1,600 per share, i.e., a total amount of CZK 4,392,617,600.00

“The approved dividend includes release of the prior year earnings granting a 11.4% gross dividend yield to our shareholders, based on the share price as at December 28, 2018,” said Árpád Könye.

Detailed information and risks related to our business

The summary of our historical performance set forth above should be read in conjunction with our 2018 Annual Report and is not indicative of future results. Future results involve a number of business risks and uncertainties that are summarized on page 50 in our 2018 Annual Report.

All the above information and documents are also published in a manner allowing remote access at www.philipmorris.cz.

The Board of Directors
Philip Morris ČR a.s.

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 and also a limited risk distributor of the smoke-free tobacco products HEETS, IQOS devices and related accessories 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

¹ Combustible portfolio includes cigarettes, cigarillos, tobacco for make-your-own cigarettes and volume tobacco for make-your-own cigarettes

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since 1992, employs more than 1,000 people across the Czech Republic. Philip Morris ČR a.s. has a 99% interest in Philip Morris Slovakia s.r.o. registered in the Slovak Republic. Over the past 27 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: Building a Smoke-Free Future

Philip Morris International (PMI) is leading a transformation in the tobacco industry to create a smoke-free future and ultimately replace cigarettes with smoke-free products to the benefit of adults who would otherwise continue to smoke, society, the company and its shareholders. PMI is a leading international tobacco company engaged in the manufacture and sale of cigarettes, smoke-free products and associated electronic devices and accessories, and other nicotine-containing products in markets outside the U.S. PMI is building a future on a new category of smoke-free products that, while not risk-free, are a much better choice than continuing to smoke. Through multidisciplinary capabilities in product development, state-of-the-art facilities and scientific substantiation, PMI aims to ensure that its smoke-free products meet adult consumer preferences and rigorous regulatory requirements. PMI's smoke-free IQOS product portfolio includes heated tobacco and nicotine-containing vapor products. As of March 31, 2019, PMI estimates that approximately 7.3 million adult smokers around the world have already stopped smoking and switched to PMI's heat-not-burn product, which is currently available for sale in 44 markets in key cities or nationwide under the IQOS brand. For more information, please visit www.pmi.com and www.pmiscience.com.