



PHILIP MORRIS ČR

In Kutná Hora, on March 27, 2018

PRESS RELEASE

The Board of Directors of Philip Morris ČR a.s. calls for an Ordinary General Meeting; announces 2017 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 27, 2018, 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 20, 2018 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, 2017. 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 2017:

- Consolidated net income up by 25.9% to CZK 3.5 billion;
- Consolidated revenues, net of excise tax and VAT up by 6.5% to CZK 12.2 billion, or by 7.2% excluding currency;
- Total cigarette market decrease of an estimated 0.6% in Czechia and increase of an estimated 1.9% in Slovakia;
- Cigarette share decrease of 0.9 share points in Czechia and 0.1 share point in Slovakia; and
- Shipment volume decrease of 4.2% in Czechia and increase of 2.4% in Slovakia.

“The solid growth of our 2017 net income and consolidated revenues, net of excise tax and VAT, was driven by favorable cigarette pricing in Czechia and Slovakia,” said 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.

Árpád Könye added: *“We have started to commercialize an electronic device, IQOS, which heats specially designed tobacco sticks, HEETS FROM MARLBORO (in Czechia)¹ / HEETS (in Slovakia), at temperatures well below combustion levels, in July and August, 2017 in Czechia and Slovakia, respectively.”*

Philip Morris ČR a.s. launched *HEETS* with *IQOS* on July 1, 2017 in selected focus areas within the Czech Republic. *HEETS* share offtake in the focus areas of selected cities reached 1.8% in Q417, representing an annualized domestic share of 0.3% for 2017.

¹ In Czechia the product was launched as *HEETS FROM MARLBORO* in 2017. The brand name changed as of Q1 2018 to *HEETS*. Hereinafter a single brand name *HEETS* is used throughout the Press Release for this product in both countries.

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Philip Morris Slovakia s.r.o. launched *HEETS* with *IQOS* on August 1, 2017 in key focus areas within Slovakia. *HEETS* share offtake in these focus areas reached 1.6% in Q417, representing an annualized domestic share of 0.3% for 2017.

The 2017 Annual Report is available at:

<http://www.philipmorris.cz>

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 2017 in the amount of CZK 1,080.00 per share, i.e., a total amount of CZK 2,965,016,880.00.

The dividend record date is April 20, 2018. 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 27, 2018 until April 27, 2018, 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.

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 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 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 26 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")

We are a leading international tobacco company engaged in the manufacture and sale of cigarettes and other nicotine-containing products in markets outside the United States of America. We're building our future on smoke-free products that are a much better consumer choice than continuing to smoke cigarettes. Through multidisciplinary capabilities in product development, state-of-the-art facilities and scientific substantiation, we aim to ensure that our smoke-free products meet adult consumer preferences and rigorous regulatory requirements. Our vision is that these products ultimately replace cigarettes to the benefit of adult smokers, society, our company and our shareholders. For more information, see www.pmi.com and www.pmiscience.com.