



PHILIP MORRIS ČR

The Board of Directors of

Philip Morris ČR a.s.,

whose registered office is in Kutná Hora, Vítězná 1, Postcode: 284 03, ID No.: 14803534, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 627, (the „Company“)

hereby convenes AN ORDINARY GENERAL MEETING (the „General Meeting“)

of its shareholders, which will take place on 30 April 2010 at 10:00 am, at the Company's above-stated registered office, with the following agenda:

1. Opening of the General Meeting;
2. Election of the chairman of the General Meeting, the minutes clerk, the minutes verifiers, the persons charged with counting the votes and the approval of the rules of procedure and the voting rules;
3. The Report of the Board of Directors on the Business Activities of the Company, the Board of Directors Report on Relations between Related Parties, a proposal for the approval of the 2009 Ordinary Financial Statements, the 2009 Ordinary Consolidated Financial Statements and for the distribution of profit, including an indication of the amount and manner of payment of dividends and the amount of emoluments;
4. The Supervisory Board Report;
5. Approval of the Report of the Board of Directors on the Business Activities of the Company, the 2009 Ordinary Financial Statements, the 2009 Ordinary Consolidated Financial Statements and the proposal for the distribution of profit, including an indication of the amount and manner of payment of dividends and the amount of emoluments;
6. Election of the members of the Board of Directors and the Supervisory Board;
7. Resolution on the amendment of the Articles of Association of the Company;
8. Election of the members of the Audit Committee, resolution on the remuneration of the members of the Audit Committee and the approval of the model agreement for the exercise of the function of a member of the Audit Committee;
9. Appointment of a Company auditor;
10. Closing of the General Meeting.

In the case of the Company's book-entered shares, any person listed in an extract from the register of the Company, as the issuer, i.e. in the records of the Company's book-entered securities maintained in accordance with a special legal regulation, as at the date decisive for the attendance of the General Meeting (the „Decisive Date“), i.e. 23 April 2010, is entitled to attend the General Meeting and exercise its shareholder rights, i.e. also to vote at the General Meeting, whether directly or through a representative. In the case of the Company's certificated shares, any person listed in the list of Company shareholders as at the Decisive Date, i.e. 23 April 2010, is entitled to attend the General Meeting and exercise its shareholder rights, i.e. vote at the General Meeting, whether directly or through a representative (unless it is proved that the relevant entry in the list of Company shareholders as at that date fails to reflect the actual state of affairs).

The significance of the Decisive Date is that it determines who is entitled to attend the General Meeting and exercise shareholder rights, i.e. also to vote at the General Meeting.

Shareholders' representatives must be authorised to attend the General Meeting and to exercise their rights at the General Meeting by persons who are Company shareholders as at the Decisive Date. Such authorisation must be granted by means of a written power of attorney bearing an officially verified signature and stating whether the power of attorney is granted for the General Meeting only or for several general meetings during a certain period of time.

Any person registered as at the Decisive Date in the register of investment instruments or in the register of the Company as the issuer, i.e. in the records of the Company's book-entered securities, as an administrator or as a person authorised to exercise the rights attached to the shares, is deemed entitled to represent the relevant shareholder and exercise any and all rights attached to the shares kept on the relevant account, which includes voting at the General Meeting. Such person's authorisation to represent the shareholder and exercise its rights must be indicated in the relevant extract from the register of investment instruments or the records of book-entered securities.

The registration of the shareholders at the General Meeting will commence at 8:30 am at the place of the General Meeting. At the registration, the shareholders or their representatives must present valid proof of identity. A person authorised to act on behalf of a shareholder who is a legal entity must also present an up-to-date extract from the Commercial Register or any other relevant register concerning such legal entity or a notarised copy thereof. Shareholders' representatives authorised by a power of attorney must also present such a written power of attorney bearing an officially verified signature and stating whether the power of attorney is granted for the General Meeting only or for several general meetings during a certain period of time.

The Company would like to point out to shareholders that a template of the power of attorney granting the right to represent the shareholder at the General Meeting is available as a printed document at the Company's registered office. At their expense and risk, the shareholders are entitled to request that such template is sent to them in the form of a printed document or in electronic form. The template of the power of attorney is also published in a manner allowing remote access on the following website:

<http://www.philipmorris.cz>.

The Company will accept electronic notices stating that a power of attorney was granted or revoked and that a shareholder will attend the General Meeting through a representative at the following email address: philipmorris.cz@pmintl.com.

In accordance with the Commercial Code and the Company's Articles of Association, the shareholders are entitled to attend the General Meeting, vote at the General Meeting, request and receive an explanation of the Company's affairs at the General Meeting, provided that such explanation is necessary for considering the agenda of the General Meeting, and submit proposals and counter-proposals. Shareholders attending the General Meeting are also entitled to receive explanations regarding the affairs of entities controlled by the Company.

Information contained in such explanations must be concrete and provide a comprehensive picture of the actual state of things. Information may be refused in part or in full, if due business consideration shows that its disclosure could harm the Company or if it represents inside information governed by a special legal regulation or if it is a business secret of the Company or if it represents secret information governed by a special legal regulation. The Board of Directors will decide whether information has this nature. If the Board of Directors refuses to disclose information for the above reasons, such information may only be requested if its disclosure is approved by the Supervisory Board. If the Supervisory Board also does not approve the disclosure of such information, the issue of whether the Company is obliged to disclose such information will be decided by a court on the bases of the shareholder's legal action. This will not affect special legal regulations regarding data protection. Explanations may also be provided by means of a summarised response to several similar enquiries. It will be deemed that a shareholder has also received an explanation if an additional explanation to the relevant items on the agenda of the General Meeting is published on the Company's website no later than on the day preceding the date of the General Meeting and if made available to shareholders at the venue of the General Meeting.

If, at the General Meeting, a shareholder wishes to submit a counter-proposal to a proposal, the contents of which are included in the invitation to the General Meeting, or a proposal to any other item on the agenda of the General Meeting, or if a resolution of the General Meeting must be recorded in the form of a notarial deed, such shareholder is obliged to deliver the written wording of its counter-proposal or proposal to the Company no later than five business days before the General Meeting. This will not apply to proposals relating to the election of specific persons to the Company bodies. The Board of Directors is obliged to publish the shareholder's counter-proposal together with its opinion, if possible, no later than three days before the announced date of the General Meeting.

The Board of Directors will include in the agenda of the General Meeting any issue requested by a shareholder or shareholders having shares whose cumulative nominal value amounts to 3% or more of the registered capital, provided that each item of such proposal is accompanied with reasoning or a proposed resolution and delivered to the Board of Directors no later than 20 days before the Decisive Date. If such request is delivered after the invitation for the General Meeting has been sent, the Board of Directors will publish an addendum to the agenda of the General Meeting at least ten days before the Decisive Date for the attendance of the General Meeting, in the manner stipulated in those provisions of law and the Articles of Association which relate to the convocation of general meetings. If it is no longer possible to make such publication, such item may only be included in the agenda of the General Meeting if all Company shareholders are present and agree to such inclusion.

Issues not included in the proposed agenda of the General Meeting may only be resolved at the General Meeting if all Company shareholders are present and agree to it.

The Company issued 1,913,698 ordinary book-entered registered shares and 831,688 ordinary certificated registered shares, i.e. together 2,745,386 shares, with a nominal value of CZK 1,000 per share. When voting at the Company's General Meeting, one vote is attached to each Company share. Votes are taken by a show of hands, unless the General Meeting decides otherwise. The General Meeting will first vote on proposals submitted by the Board of Directors or the Supervisory Board. If such proposals are not approved or submitted, votes will be taken on (counter-)proposals submitted by shareholders. Shareholders are not obliged to exercise the voting rights attached to all of their shares in the same way.

The Board of Directors has prepared a Report on Relations between Related Parties, which indicates that in the 2009 accounting period the Company as a controlled entity suffered no harm as a result of the influence exercised by Philip Morris Holland Holdings B.V., as the controlling entity.

A proposal on the distribution of the Company's profits generated in 2009, including a schedule of payments of the shareholders' shares in the Company's profit (dividends), the term and manner of such payments and information concerning the financial institution which will make the payments of dividends, forms Schedule 1 to this invitation.

The share in the Company's profit (dividend) for 2009 will be paid to the Company's shareholders: in the case of book-entered shares to those listed in the extract from the register of the Company, as the issuer, i.e. in the records of the Company's book-entered securities kept in accordance with a special legal regulation as at the date of the General Meeting (the **„Decisive Date for Exercising Dividend Rights“**) and in the case of certificated shares to those listed in the list of the Company shareholders as at the Decisive Day for Exercising Dividend Rights (unless it is proved that the relevant entry in the list of Company shareholders as at that date fails to reflect the actual state of affairs).

Documents and information relating to the General Meeting, which must be published pursuant to Section 120b (1) a), b), d) to f) of Act no. 256/2004 Coll., on Business Activities on the Capital Market, as amended, as well as a template of the power of attorney granting the right to represent the shareholder at the General Meeting will be available at the Company's registered office: Kutná Hora, Vítězná 1, Postcode: 284 03, on business days from 30 March 2010 until 30 April 2010, from 2 pm until 5 pm. All the above information and documents are also published in a manner allowing remote access on the following website: <http://www.philipmorris.cz>.

Information for shareholders, including printed source materials for the General Meeting, will be available from the information centre at the venue of the General Meeting.

Essential characteristics of the main amendments to the Company's Articles of Association, as proposed by the Board of Directors for approval in item 7: „Resolution on the amendment of the Articles of Association of the Company“ of the agenda of the General Meeting:

- a) After the amendments to Act no. 455/1991 Coll., on Trade and Entrepreneurial Activities (the Trade Licensing Act), as amended, it is proposed that the individual business activities listed in paragraphs (ii) to (vi) of Article 3 „Scope of Business“ of the Articles of Association are replaced by a single business activity: „manufacture, business and services not included in Schedules 1 to 3 of the Trade Licensing Act“. This business is already registered in the Commercial Register together with the Company's main business activity, i.e. the processing of tobacco and the manufacture of tobacco products;
- b) It is further proposed that the Articles of Association are brought into compliance with Act no. 420/2009 Coll., amending Act no. 513/1991 Coll., the Commercial Code, as amended, and other related laws, and Act no. 230/2009 Coll., amending Act no. 256/2004 Coll., on Business Activities on the Capital Market, as amended, and other related laws. These amendments concern especially provisions on general meetings (particularly their convocation, attendance and decision-making process) and the exercise of shareholder rights;
- c) Articles 14 and 18 of the Articles of Association newly propose that the members of the Board of Directors and the Supervisory Board are entitled to participate in and vote at the meetings of the Board of Directors and Supervisory Board by telephone or other communication systems;

- d) It is further proposed that the powers of the General Meeting stated in Article 8 of the Articles of Association are changed and that Article 13 of the Articles of Association, concerning the Board of Directors Report on the Company's Business Activities, the State of the Assets and the Business Policy, Article 31 of the Articles of Association, concerning the exclusion of the possibility of reducing the Company's registered capital by withdrawing shares from circulation by drawing lots, and Article 39 of the Articles of Association, concerning disclosures and publications by the Company, are specified. It is also proposed that Article 34 of the Articles of Association in relation to the procedure for amending the Articles of Association is added;
- e) In accordance with Act no. 93/2009 Coll., on Auditors and Amendments of Certain Laws, it is proposed that new Articles 19 to 21 are added to the Company's Articles of Association, containing the regulation of the Company's new body – the Audit Committee, including its functions, powers, members and their terms of office, meetings and decision-making process;
- f) It is further proposed that the Article 6 (6) of the Articles of Association is changed in a way that the decisive date for exercising the right to a dividend is the same as the decisive date for attendance of the General Meeting which decides on such dividend payment. It is proposed that the change of this particular Article 6 (6) of the Articles of Association is effective as of 1 January 2011;
- g) The proposed wording of the Articles of Association also contains minor changes of a legal or technical nature and terminology specifications based on amendments to the relevant legal regulations and Act no. 125/2008 Coll., on Transformations of Companies and Cooperatives, as amended (e.g. deletion of references to the Securities Centre, which is to be replaced by a central depository in 2010, specification of the provisions governing share co-ownership, etc.).

The proposed amendment to the Articles of Association is available for shareholders at the Company's registered office: Kutná Hora, Vítězná 1, Postcode: 284 03, on business days from 30 March 2010 until 30 April 2010, from 2 pm until 5 pm, as well as in a manner allowing remote access on the above-stated website. At its own expense and risk, each shareholder is entitled to be sent a copy of the proposed amendment to the Articles of Association.

Main data from the 2009 Ordinary Financial Statements (in millions of CZK)

Non-current assets:	2 653	Registered capital and reserves:	5 650
Current assets:	10 753	Retained earnings	
		from previous years:	1 064
		Earnings for the current period:	2 147
		Non-current payables:	118
		Current payables:	4 427
Total assets:	13 406	Total equity and liabilities:	13 406

Main data from the 2009 Ordinary Consolidated Financial Statements (in millions of CZK)

Non-current assets:	2 677	Registered capital and reserves:	5 657
Current assets:	11 029	Retained earnings from previous years:	758
		Earnings for the current period:	2 506
		Minority interest:	1
		Non-current payables:	112
		Current payables:	4 672
Total assets:	13 706	Total equity and liabilities:	13 706

In Kutná Hora on 25 March 2010

Alvise Giustiniani
Chairman of the Board of Directors
Philip Morris ČR a.s.

Daniel Gordon
Member of the Board of Directors
Philip Morris ČR a.s.

SCHEDULE NO.1

Proposal for income distribution for the year 2009 (in CZK)

Income after tax for the year 2009	2 146 897 732,29
Dividend (i)	2 141 401 080,00
Supervisory Board members' emoluments (ii)	200 000,00
Transfer to Retained Earnings from previous years	5 296 652,29

- (i) The Dividend will be paid out to shareholders as of 30 April 2010. The proposed gross dividend is CZK 780.00 per share on a total of 2 745 386 shares.
- (ii) CZK 200 000.00 for each member of the Supervisory Board who is not an employee of Philip Morris ČR a.s. or any other company within the Group of Philip Morris International, Inc.

Distribution of dividends to Individuals will be done through Komerční banka, a.s.

Komerční banka, a.s. will send by mail a notification on profit distribution from the securities (hereinafter the "payment notification") to all shareholders in the Czech Republic and abroad (except shareholders from Slovakia), at the address registered in the Czech Securities Center as at 30 April 2010. Dividends will be paid out during the payment period through branches of Komerční banka a.s. in cash or via bank transfer based on shareholder's valid identity card. If a shareholder, a tax resident of another country than the Czech Republic, asks for a favourable withholding tax rate, he/she is obliged to present besides valid identity card also his/her tax residency certificate and declaration of beneficial owner.

The payment period will be from 24 May 2010 to 31 March 2011.

Postal vouchers will be sent to shareholders in Slovakia.

All information shall be provided on the branches of Komerční banka, a.s.

Distribution of dividends to Companies

Dividends to companies will be transferred to the bank account of the shareholder by Komerční banka after receiving the relevant documentation, including the tax residency certificate and declaration of beneficial owner if a favourable withholding tax rate is applied for by the shareholder.

The contact person in Komerční banka, a.s.:

Ing. Monika Kopřivová
Head of Services to Issuers – Payment Customer Services, Operations
Hana Beníšková
Václavské náměstí 42
114 07 Praha 1
tel.: 00420 955 534 143, 00420 955 534 142, fax: 00420 955 534 073