

REPORT OF THE SUPERVISORY BOARD OF PHILIP MORRIS ČR A.S.

1. SUPERVISORY BOARD REPORT ON THE RESULTS OF ITS SUPERVISORY ACTIVITIES IN THE 2009 CALENDAR YEAR ACCOUNTING PERIOD

The Supervisory Board of the Company conducted its activities in accordance with Article 16 of the Company's Articles and the relevant legal regulations. From January 1, 2010 the Supervisory Board also conducted the activities of the Audit Committee, to the extent set out in the relevant legal regulations.

Throughout 2009, the Supervisory Board monitored and reviewed the progress and management of the Company's activities while paying special attention to its financial state. During the year, the Supervisory Board was fully advised of the financial measures passed and also reviewed the capital expenditures against the budgets and the timetables for their implementation.

The Supervisory Board confirms that all the Company's projects were fully justified in terms of the Company's current and future needs. The Supervisory Board agrees with the Company's business activities in 2009 and considers its economical results for the said year satisfactory.

As the Supervisory Board found no shortcomings in the Company's business activities or operations, it hereby refers the shareholders to the Company's Annual Report for the 2009 calendar year accounting period, the report of the Board of Directors on the Company's Business Activities for the accounting period of 2009 and the Report of the Company's Board of Directors on Relations between Related Parties for the 2009 calendar year accounting period, with which it fully agrees.

2. STATEMENT OF THE SUPERVISORY BOARD REGARDING THE REPORT OF THE BOARD OF DIRECTORS ON RELATIONS BETWEEN RELATED PARTIES FOR THE 2009 CALENDAR YEAR ACCOUNTING PERIOD

The Company's Supervisory Board reviewed the Report of the Company's Board of Directors on Relations between Related Parties for the 2009 calendar year accounting period within the meaning of Section 66a (10) of the Commercial Code and finds all the data contained therein accurate and has no reservations about it.

The Company's Supervisory Board agrees with the conclusion of the Company's Board of Directors that, in the relevant period, the Company suffered no detriment as a result of the execution of agreements or any performance or counter-performance by the Company, as stated in the Report of the Company's Board of Directors on Relations between Related Parties.

3. STATEMENT OF THE SUPERVISORY BOARD TO THE COMPANY'S 2009 ORDINARY FINANCIAL STATEMENTS, THE COMPANY'S 2009 ORDINARY CONSOLIDATED FINANCIAL STATEMENTS AND THE PROPOSAL BY THE BOARD OF DIRECTORS TO APPROVE THE 2009 ORDINARY FINANCIAL STATEMENTS AND THE 2009 ORDINARY CONSOLIDATED FINANCIAL STATEMENTS AND DISTRIBUTE THE PROFIT, INCLUDING THE DETERMINATION OF THE AMOUNT AND MANNER OF THE PAYMENT OF DIVIDENDS AND THE AMOUNT OF THE EMOLUMENTS

The Company's Board of Directors presented to the Company's Supervisory Board the Company's ordinary financial statements for the 2009 calendar year accounting period and the Company's ordinary consolidated financial statements for the 2009 calendar year accounting period (the "**Financial Statements**") and the proposal by the Company's Board of Directors to approve the Company's 2009 ordinary financial statements and the Company's 2009 ordinary consolidated financial statements and to distribute the profit, including the determination of the amount and manner of the payment of dividends and the amount of the emoluments (the "**Proposal by the Board of Directors**").

The Company's Supervisory Board reviewed the Financial Statements and concluded that the accounting procedures used by the Company are appropriate and that the Company's accounting records are kept

properly, both in accordance with the relevant legal and accounting regulations, and with the Company's Articles.

The Company's Supervisory Board also reviewed the Proposal by the Board of Directors, found it to be fully compliant with the Company's economic condition and fully agrees with it.

In view of the above, the Company's Supervisory Board recommends that the Company's Ordinary General Meeting approve the Financial Statements as well as the Proposal by the Board of Directors.

In Prague on March 25, 2010

Daniel Fahrny
Chairman of the Supervisory Board
Philip Morris ČR a.s.