

1. REPORT OF THE AUDIT COMMITTEE OF PHILIP MORRIS ČR A.S.

The Audit Committee performed its activity regarding the process of preparing the 2012 financial statements and the 2012 consolidated financial statements in accordance with Article 19 of the Articles of Association of Philip Morris ČR a.s. (the “Company”) and according to legal regulations. The Audit Committee monitored the process of preparing the 2012 financial statements and the 2012 consolidated financial statements, assessed the effectiveness of the internal controls in the Company, the internal audit and system of risk management, monitored the process of statutory audits of the financial statements and the consolidated financial statements for the year 2012, assessed the independence of the statutory auditors and the audit firm and in particular any provision of supplementary services to the Company and accepted information and communication according to legal regulations from the auditor.

The following persons were invited to participate in Committee’s sessions: key members of the auditor’s team, the financial director of the Company, the director of the department of internal controls and other employees of the Company in charge of or playing a relevant role in the activities addressed by the Audit Committee.

2. STATEMENT OF THE AUDIT COMMITTEE FOR THE 2012 CALENDAR YEAR ACCOUNTING PERIOD

From the point of view of the main activities entrusted to the Audit Committee according to legal regulations and under the Company’s Articles of Association, i.e.:

- (i) monitoring the process of preparing the financial statements and the consolidated financial statements;
- (ii) assessing the effectiveness of the internal controls in the Company, the internal audit and system of risk management;
- (iii) monitoring the process of statutory audits of the financial statements and the consolidated financial statements;
- (iv) assessing the independence of the statutory auditors and the audit firm and in particular provision of supplementary services to the Company;

for the year 2012 the Audit Committee has not ascertained serious deficiencies or issues the general meeting of shareholders of the Company should be informed about.

The Audit Committee informs the Company’s Supervisory Board of its conclusions and gives recommendations on the items that have been discussed at the sessions of the Audit Committee.

In Prague on March 21, 2013

Daniel Fahrny
Chairman of the Audit Committee
Philip Morris ČR a.s.