



**PHILIP MORRIS
(PAKISTAN) LIMITED**
(Formerly Lakson Tobacco Company Ltd.)

PRESS RELEASE

PMPKL Reduces Operations at Mandra Factory

Karachi, March 03, 2012: The Management of Philip Morris (Pakistan) Limited (“PMPKL”/ “the Company”) formerly Lakson Tobacco Company Limited has made the difficult yet necessary decision to reduce operations in its Mandra Factory.

The decision results from the disproportionate higher cost of production at the Mandra factory being the smallest of PMPKL’s manufacturing facilities and difficult prevailing economic conditions including high taxation and low consumer affordability, impacting business negatively. In addition, this factory produced mostly packaging of 10 cigarettes per pack, a format which the government regulation (SRO 863(I)/ 2010) has barred from manufacturing and sales as of October 1, 2011. As such, the main activity at the factory has become obsolete.

PMPKL’s priority at this difficult time is to provide the best possible support to the affected employees. Mr. Arpad Konye, Managing Director, PMPKL said; “We are committed to ensuring that all retrenched employees are treated fairly and with dignity, and genuinely appreciate the contributions that each and every employee has made over the years”. The Company has ensured that all affected workers receive their full entitlements under the law. Additionally, PMPKL has offered ex gratia payment on the same terms as the voluntary separation scheme which remained available to workers prior to retrenchment, providing a generous package well in excess of the minimum legal requirements.

About Philip Morris (Pakistan) Limited (PMPKL);

Philip Morris (Pakistan) Limited (PMPKL) formerly Lakson Tobacco Company is an affiliate of Philip Morris International Inc. (PMI) with its Operation Centre in Lausanne, Switzerland. PMPKL is Pakistan’s second largest tobacco company, listed on the Karachi and Lahore stock exchanges and has a presence in all four provinces and provides permanent employment to approximately 2,363 people. PMPKL operates three cigarette manufacturing facilities and a Green Leaf Threshing (GLT) plant in Khyber Pukhtoonkhwa.

Philip Morris (Pakistan) Limited (Formerly Lakson Tobacco Company Ltd.)

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