



March 10, 2019

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Road
Stock Exchange Building
Karachi

Financial results for the year ended December 31, 2019

Dear Sirs,

We have to inform you that the Board of Directors of the Company in their meeting held at 11:00 a.m. today considered and approved the audited financial statements of the Company for the year ended December 31, 2019.

| | 2019 | 2018 |
|-------------------------------------|-----------------------------|------------------|
| | (Rupees in thousand) | |
| Turnover - net | 13,334,498 | 16,199,912 |
| Cost of sales | 9,144,670 | 10,175,924 |
| Gross profit | <u>4,189,828</u> | <u>6,023,988</u> |
| Distribution and marketing expenses | 2,663,662 | 3,570,578 |
| Administrative expenses | 1,512,611 | 1,389,471 |
| Other expenses | 3,168,345 | 686,981 |
| Other income | (710,607) | (263,044) |
| | <u>6,634,011</u> | <u>5,383,986</u> |
| Operating (loss) / profit | (2,444,183) | 640,002 |
| Finance cost and bank charges | 48,807 | 23,094 |
| (Loss) / profit before taxation | <u>(2,492,990)</u> | <u>616,908</u> |
| Taxation | (512,991) | 73,757 |
| (Loss) / profit after taxation | <u>(1,979,999)</u> | <u>543,151</u> |

The Company recorded an Operating Loss before tax of PKR 2,444 million for the year ended December 31, 2019 compared to an Operating Profit before tax of PKR 640 million in 2018. The Operating loss before tax was mainly due to the management decision to reorganize its operational footprint by closing its factory in Kotri, which was essential to ensure long term sustainability of the business in Pakistan considering the unpredictable fiscal environment.

Philip Morris (Pakistan) Limited

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**PHILIP MORRIS
(PAKISTAN) LIMITED**

Excluding the one off impairment / employee separation costs which was a result of the closure of the Kotri factory and GLT Voluntary Separation Scheme, the Company would have recorded an Operating Profit before tax of PKR 357 million for the year ended December 31st, 2019, instead of Operating loss before tax as mentioned above.

Other comprehensive income for the year - net of tax

Item that will not be reclassified to profit or loss

| | | |
|--|--------------------|----------------|
| Remeasurement income / (expense) relating to staff retirement benefits | 20,224 | (83,790) |
| - Current tax | (5,865) | 24,299 |
| | 14,359 | (59,491) |
| Total comprehensive income / (loss) for the year | (1,965,640) | 483,660 |

Rupees

| | | |
|---|----------------|-------------|
| (Loss) / Earnings per share - basic and diluted (after adjustment of preference dividend) | <u>(32.15)</u> | <u>1.68</u> |
|---|----------------|-------------|

Yours faithfully,

For PHILIP MORRIS (PAKISTAN) LIMITED

**Mustafa Kamal Zuberi
Company Secretary**

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