



PHILIP MORRIS INTERNATIONAL

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Mr. Jean-Claude Juncker
President of the European Commission
Rue de la Loi 200
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September 7, 2017

Dear President,

Late last year, Philip Morris International (PMI) announced its intention to transform its business by building a future on smoke-free products. Our objective is to completely replace cigarettes over time with less harmful, smoke-free products to the benefit of adult smokers, public health, and society at large.

It is my pleasure to set out in this letter the steps we are taking to make this vision a reality in the European Union. We believe that the transformation of our company will not only bring real benefits for public health, but that it also provides an important boost for innovation and investment at this critical time for the European Union.

After many years of research and investment in new technologies - PMI is one of the EU's top patent filers with over 1,800 granted patents and almost 4,000 pending applications - that underpin our novel smoke-free product portfolio, our company is committed to convert as many adult smokers as possible from cigarettes to better alternatives.

The first *novel* smoke-free product, which PMI is currently commercializing in 12 EU Member States, is *IQOS*, a product heating tobacco without burning it and thus producing an aerosol with no smoke and with more than 90% reduction in harmful compounds found in cigarette smoke. Results of scientific research conducted by PMI to date indicate that *IQOS* is likely to reduce the risk of harm compared to cigarette smoking, and is a better choice for those who would otherwise continue to smoke. Globally, over three million adults have already stopped smoking by switching to *IQOS*. This is the equivalent of, for example, all adult smokers in the Netherlands abandoning cigarettes by switching to a smoke-free alternative.

The rollout of *IQOS* across several Member States comes with significant investments in the EU. We are either building new factories or ending production of cigarettes in existing factories and transforming them into new facilities producing *only* novel products. Thus far, PMI has committed over EUR 2 billion in infrastructure investments in Italy, Greece, Romania, Germany and the Netherlands creating nearly 2000 new jobs. These factories will also have significant export potential to countries outside the EU. Today, 95% of the production of our Italian factory is exported outside the EU.

Pursuant to Art. 19 of Directive 2014/40/EU, PMI uploaded in the Common Entry Gate of the EU Commission its scientific notification dossier for *IQOS*. The company openly shares its scientific methodologies and findings for independent third-party review and verification, and has published its research in over 200 articles and book chapters since 2011. Furthermore, a number of EU Member State authorities, including the Dutch National Institute for Public Health and the Environment (RIVM), the German Federal Institute for risk assessment (BfR), and Public Health England (PHE) have announced their intention to assess *IQOS* and/or verify the results of our scientific studies.

I would welcome the opportunity to meet with you to discuss how our vision and investments can further contribute to the EU and would happily respond to any questions you might have.

Yours sincerely,



André Calantzopoulos
Chief Executive Officer