

# **Filtrona plc**

## **Interim Management Statement**

Filtrona plc ('Filtrona'), the international market leading speciality plastic and fibre products supplier, is holding its Annual General Meeting at 12 noon today. At the meeting, Jeff Harris, Chairman, will make the following statement:

"Filtrona today issues its interim management statement for the period from 1 January 2008.

### **Financial Performance**

During the period, Filtrona has delivered results in line with the comparable period for the prior year.

Plastic Technologies has traded ahead of the prior year despite the impact of reduced volumes within the US operations of the Plastic Profile and Sheet division. Fibre Technologies' performance is behind prior year following the anticipated reduction in volumes in the Cigarette Filters division due to the previously announced customer insourcing decisions.

### **Plastic Technologies**

The Protection and Finishing Products division has continued to progress whilst absorbing the costs of new investment in Chinese and Eastern European distribution operations.

The Coated and Security Products division has performed well and will benefit in the second half of the year from a new supply agreement signed with an important customer for the Payne Security authentication system.

The Plastic Profile and Sheet division has suffered from weak US demand and rising raw material prices, resulting in lower profitability than last year.

### **Fibre Technologies**

As forecast, sales in the Cigarette Filters division are down due to previously announced customer insourcing decisions. As part of the previously advised restructuring of the division, further cost saving measures are being implemented, including a headcount reduction at the UK facility on Tyneside. The division has secured new business from a multinational customer which will mitigate a future loss of conventional dual filter volume, previously highlighted as being at risk, with that same customer. The division has seen further good growth in Asia.

Revenue within the Bonded Fibre Components division is in line with last year resulting from temporary destocking programmes by a small number of US customers. The balance of the year is expected to benefit from new product launches in the inkjet printer and medical product markets, together with continued progress in Asia.

**Financial Position**

The balance sheet remains strong and there have been no significant changes in the financial position of the Company.

**Board Change**

As announced on 10 March 2008, Steve Crummett was appointed Group Finance Director on 19 March 2008.

**Outlook**

Whilst market conditions in the US have become more challenging, the Board believes that the Filtrona Group will continue to develop satisfactorily and, overall, the Company's expectations for the full year remain unchanged.

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### Note to Editors:

**Filtrona plc** is an international, market leading, speciality plastic and fibre products supplier with activities segmented into Plastic Technologies and Fibre Technologies. Further information can be found on the website [www.filtrona.com](http://www.filtrona.com)

### **Plastic Technologies**

#### Protection and Finishing Products

A global market leading provider of product protection and finishing solutions, manufacturing and supplying plastic injection moulded, dip moulded vinyl and adhesive-coated foam products. 41 operating units in 14 countries serve a broad industrial base of 81,000 customers with a rapid supply of primarily plastic products for protection, and finishing applications in industries such as hydraulics and pneumatics, oil and gas, electrical controls and tubular metal products.

#### Coated and Security Products

The global market leading producer of high quality self-adhesive tear tape and an emerging supplier of products and technologies for brand protection, document authentication, personal identification and track and trace. Customers in over 100 countries are served from facilities operating in six countries.

#### Plastic Profile and Sheet

A leading manufacturer of proprietary and customised thermoplastic profiles, sheet and speciality tubes with multiple locations in the US, Mexico and The Netherlands. The business serves 3,200 customers in 40 countries spread across six principal markets – aerospace, point of purchase signs and displays, medical, traffic control, lighting and fence

### **Fibre Technologies**

#### Cigarette Filters

The only global independent cigarette filter supplier. The 12 worldwide locations, including a UK based research facility provide a flexible infrastructure strategically positioned to serve the cigarette industry. The division supplies a wide range of value adding high quality innovative filters from monoacetate to multi-segment speciality filters with sophisticated adsorbent materials.

#### Bonded Fibre Components

With locations in the US, Germany and China, the leading manufacturer of custom fluid and vapour handling components delivering high value and precision performance to many of the most well-known consumer, industrial and medical brand owners in the world. The components are used in a wide range of product applications including writing instruments, inkjet printer cartridges, medical diagnostic devices and air fresheners.