



23 October 2009

**Filtrona plc
Interim Management Statement**

Filtrona plc ('Filtrona' or the 'Company'), the international, market leading speciality plastic and fibre products supplier today issues its interim management statement for the period from 1 July 2009 in accordance with the UK Listing Authority's Disclosure and Transparency Rules. All statistics and qualitative statements made below relate to continuing operations and therefore exclude the North American Plastic Profile and Sheet business, the disposal of which completed on 27 March 2009.

Company Financial Performance

During the third quarter of 2009, Filtrona delivered operating results marginally ahead of the Board's expectations.

Third quarter Company revenue was up 3.8% versus the third quarter of last year ("comparable period") and down 3.5% at constant exchange rates. Company operating profit¹ was ahead of the comparable period by 16.1% (up 5.9% at constant exchange rates). Company operating margin¹ was 13.6%, ahead of the comparable period by 100bps.

For the cumulative three quarters of 2009, Company revenue was up 4.9% versus the first three quarters of the prior year ("comparable cumulative period") and down 6.1% at constant exchange rates. Company operating profit¹ was ahead of the comparable cumulative period by 4.8% (down 9.7% at constant exchange rates). Company operating margin¹ was 13.2%, level with the comparable cumulative period.

¹ Before intangible amortisation, major restructuring costs and exceptional acquisition fees

Protection and Finishing Products

Third quarter revenue within the Protection and Finishing Products Division was down 20.0% versus the comparable period (down 27.4% at constant exchange rates). Revenue for the first three quarters was down 16.3% (down 27.1% at constant exchange rates) compared to the comparable cumulative period.

Porous Technologies

The Porous Technologies division performed strongly in the third quarter with revenue up 56.1% versus the comparable period (up 33.8% adjusting for the impact of Lendell). At constant exchange rates, revenue was up 39.1% (up 21.1% adjusting for the impact of Lendell). Revenue for the first three quarters was up 34.2% (up 11.6% at constant exchange rates and up 0.4% adjusting for the impact of Lendell) compared to the comparable cumulative period.

Coated and Security Products

Third quarter revenue within the Coated and Security Products Division was up 1.4% versus the comparable period (down 3.6% at constant exchange rates). Revenue for the first three quarters was up 2.8% (down 4.4% at constant exchange rates) compared to the comparable cumulative period.

Filter Products

Third quarter revenue within the Filter Products Division was up 8.5% versus the comparable period (up 1.9% at constant exchange rates). Revenue for the first three quarters was up 12.0% (up 2.2% at constant exchange rates) compared to the comparable cumulative period.

¹ Before intangible amortisation, major restructuring costs and exceptional acquisition fees

Financial Position

During the third quarter, the Company continued its acute focus on cost control and cash management. Net debt was £119m at the end of the third quarter.

Operating cash flow¹ has remained strong, with a conversion ratio of 112% from operating profit¹ for the first three quarters of 2009.

As a result of Filtrona's disciplined approach to financial acquisition criteria, the Company was outbid in the final stages of a competitive auction process for a significant acquisition target. The Company will therefore report £1.9m of transaction costs incurred which will be presented separately by virtue of their size and incidence.

Outlook

The third quarter has further underscored the resilience of Filtrona's businesses. Porous Technologies has performed strongly and Protection and Finishing Products has experienced a modest improvement in activity levels. The defensiveness of the tobacco industry has continued to benefit both Coated and Security Products and Filter Products.

As a result of these business trends, the Board remains confident in the overall outcome for the year and continues to believe that it is well positioned to deliver further growth as demand in its markets recovers.

¹ Before intangible amortisation, major restructuring costs and exceptional acquisition fees.

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Notes to Editors

Filtrona plc is an international, market leading, speciality plastic and fibre products supplier. Further information can be found on the website www.filtrona.com.

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. 43 operating units in 14 countries serve a broad industrial base of 77,000 live 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.

Porous Technologies

With locations in the US, Germany and China, the leading manufacturer of custom bonded fibre and hydrophilic foam 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.

Coated and Security Products

The global market leading producer of high quality self-adhesive tear tape and a growing 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. Also includes plastic profile extrusion activities, based in The Netherlands.

Filter Products

This division is 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.