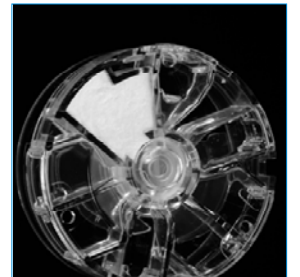
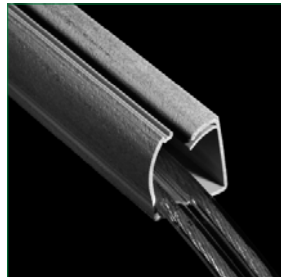
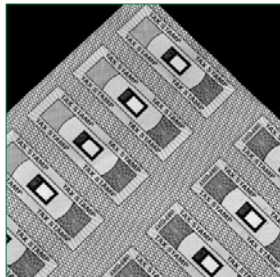
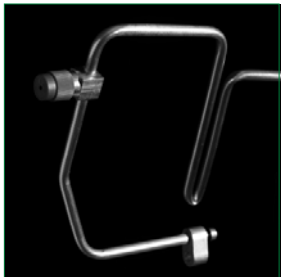




# Preliminary results

for year ended 31 December 2006



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# Financial Highlights



△%

Revenue	£544.2m	↑	5.9
Operating profit*	£61.6m	↑	6.6
Profit before tax	£54.6m	↑	9.2
Adjusted EPS*	16.0p	↑	6.7
Operating cash flow	£48.6m	↑	37.3

\*before amortisation and 2005's demerger expense

# Financial Track Record



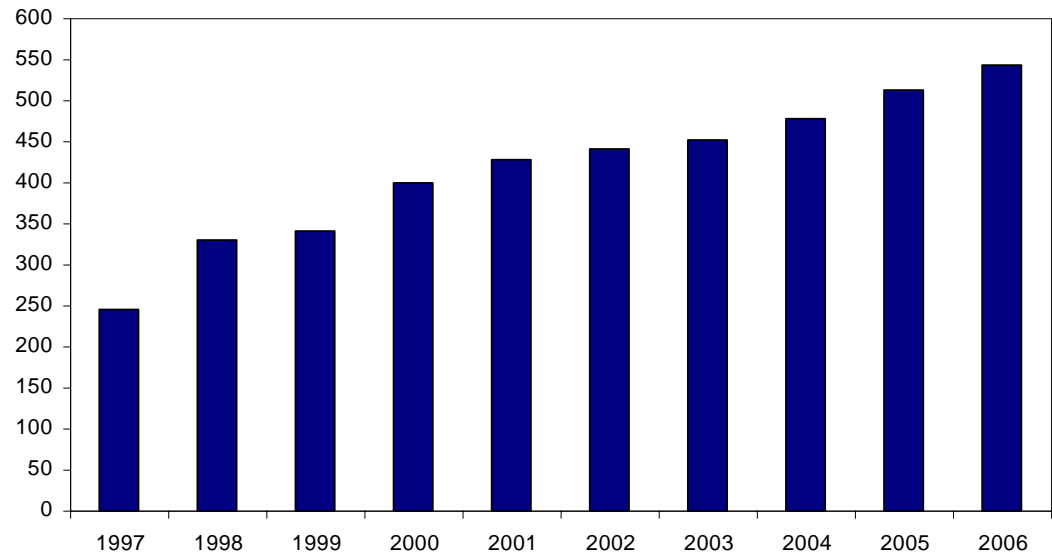
## 10 year track record

- 5% organic
- 5% from acquisitions
- double digit margins

## 2006

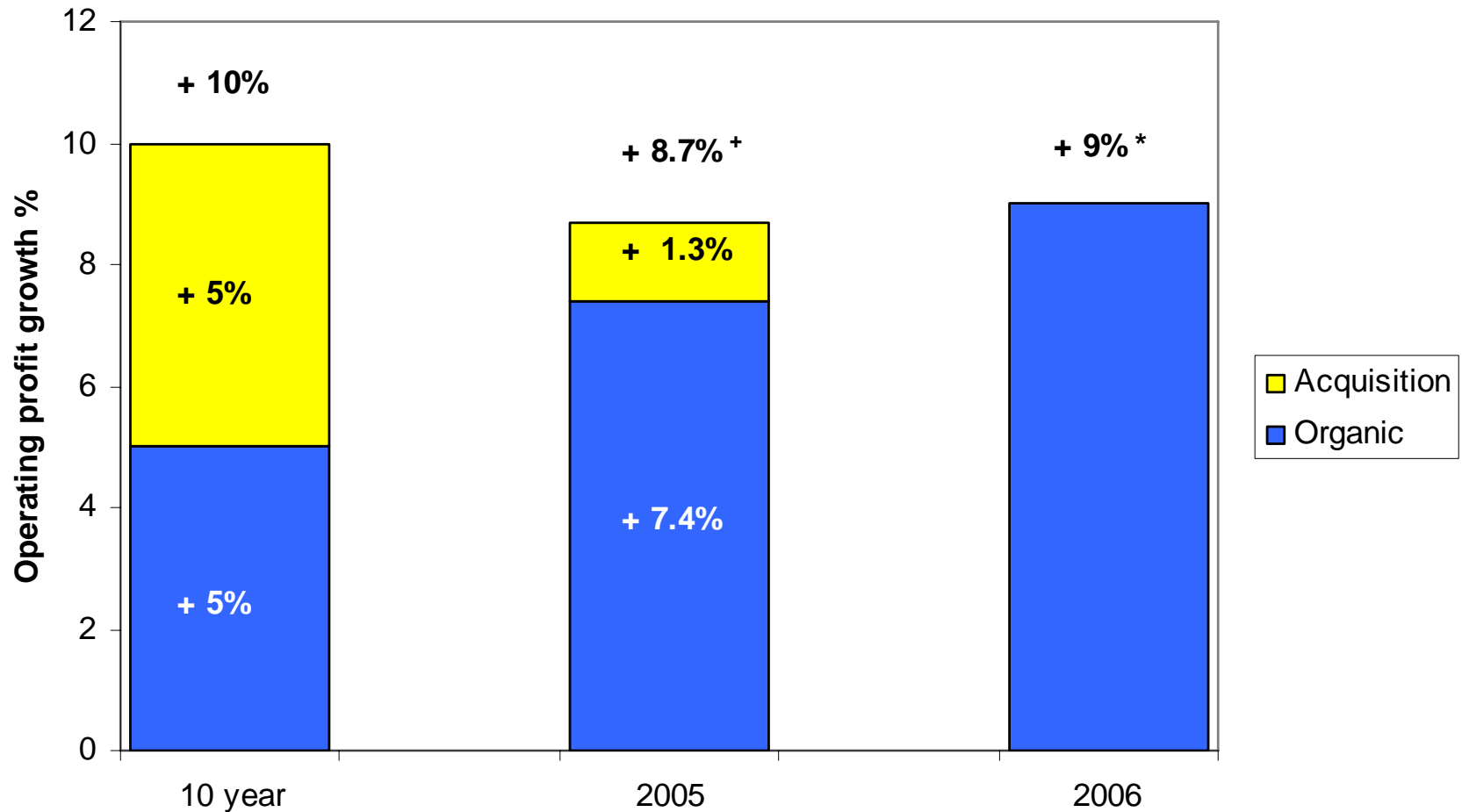
- revenue up 5.9%
- constant currency basis up 6.0%
- double digit margins - 11.3%

Revenue (£m)



**Financial track record of strong growth and double digit margins**

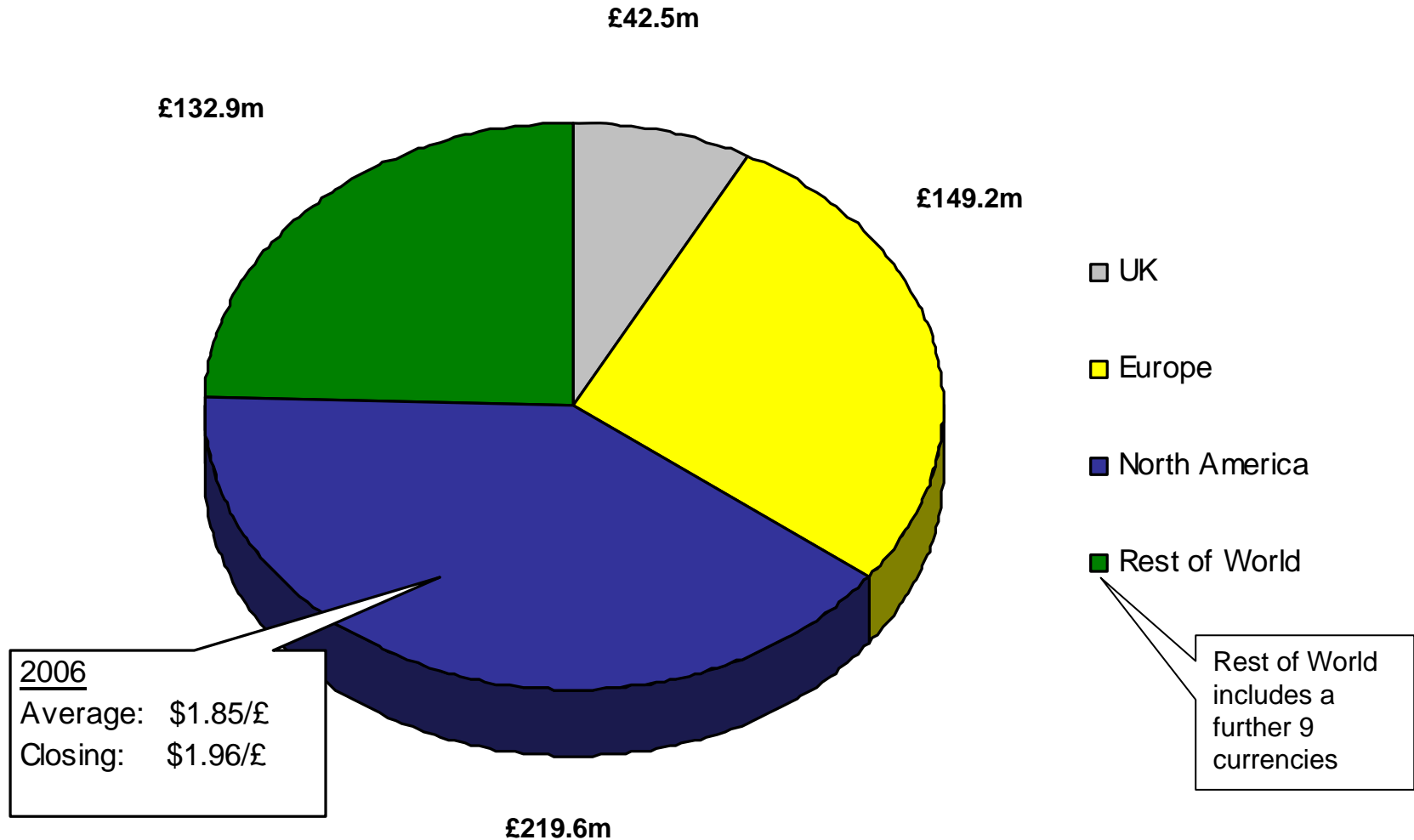
# Financial Track Record II



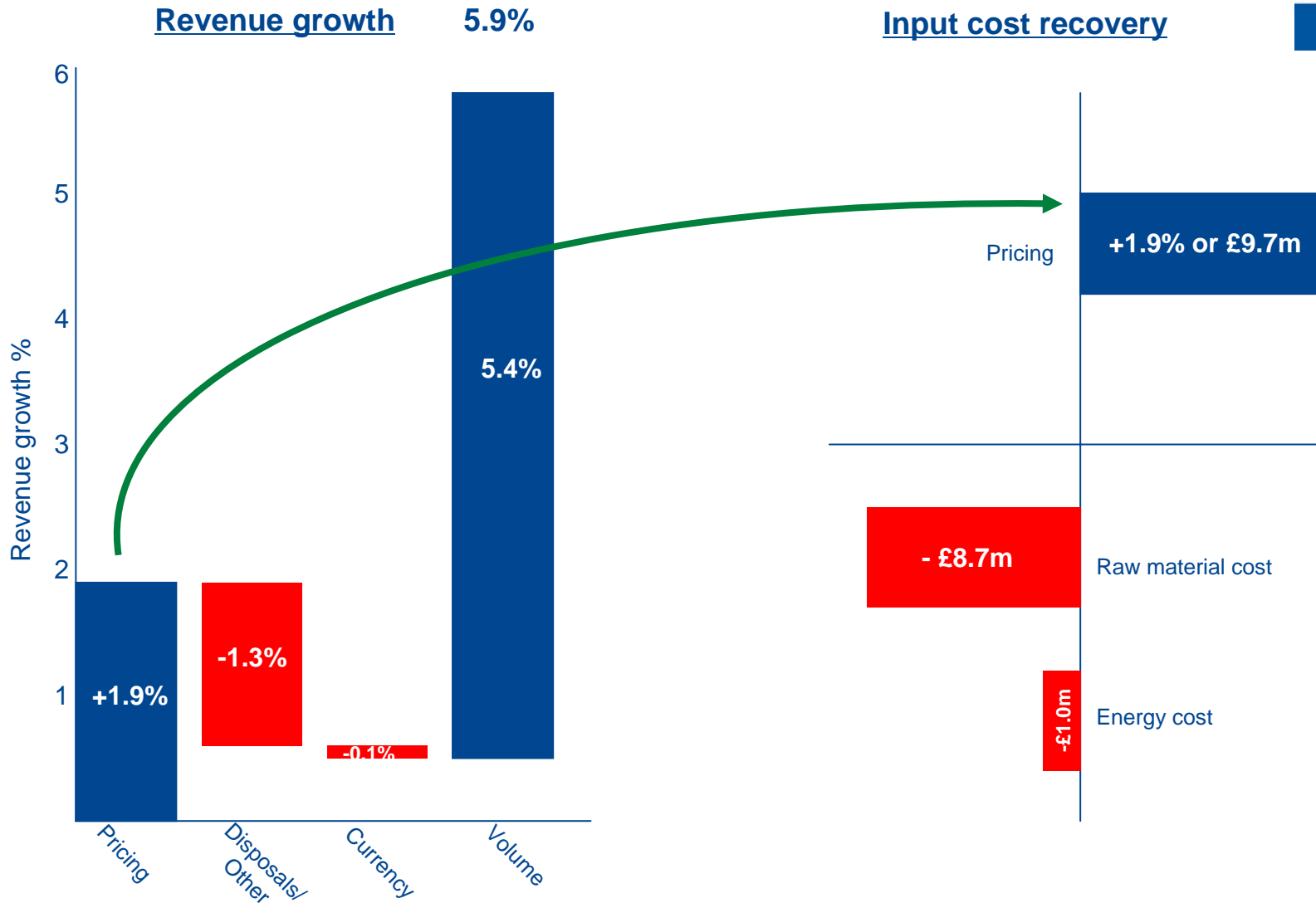
\* Underlying growth

+ Published

# Revenue by Functional Currency



# Revenue, Volume and Pricing



**Filtrona's market positions facilitate input cost recovery**

# Segmental Summary



£m	Revenue		Operating profit	
	2006	2005	2006	2005
Plastic Technologies	289.5	273.3	41.4	37.6
Fibre Technologies	254.7	240.4	28.1	26.9
Central Services			(7.9)	(6.7)
	544.2	513.7	61.6	57.8
Operating margin			11.3%	11.3%



# Earnings



£m		2006		2005	Δ%
<b>Operating profit</b>		<b>61.6</b>		<b>57.8</b>	<b>6.6</b>
Amortisation		(0.9)		(0.8)	
Demerger expense		-		(1.0)	
Net finance expense		(6.1)		(6.0)	
<b>Profit before tax</b>		<b>54.6</b>		<b>50.0</b>	<b>9.2</b>
Income tax	34.1%	(18.6)	34.0%	(17.0)	
Minority interests		(1.5)		(1.4)	
<b>Earnings</b>		<b>34.5</b>		<b>31.6</b>	<b>9.2</b>
Basic EPS		15.8p		14.4p	9.7
<b>Adjusted EPS</b>		<b>16.0p</b>		<b>15.0p</b>	<b>6.7</b>
Dividend per share		6.9p		6.4p	7.8

# Balance Sheet



£m	2006	2005
Intangible assets	59.5	63.0
Property, plant and equipment	178.4	180.5
Working capital	71.8	73.7
Income tax/deferred tax	(25.6)	(23.4)
	<hr/> 284.1	<hr/> 293.8
Provisions	(5.7)	(7.5)
Pension liabilities	(30.9)	(35.8)
	<hr/> <b>247.5</b>	<hr/> <b>250.5</b>
Shareholders' funds	142.7	124.7
Minority interests	6.0	5.6
Net debt	98.8	120.2
	<hr/> <b>247.5</b>	<hr/> <b>250.5</b>
Net debt to ebitda	1.2	1.5
Return on average capital (%)	23.8	23.7

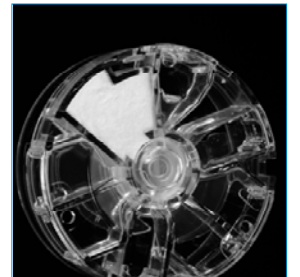
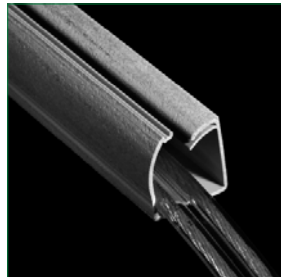
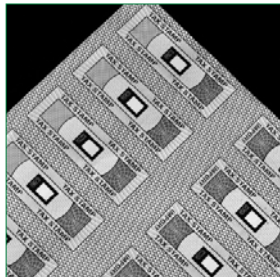
# Cash Flow



£m	2006	2005	Δ%
Operating profit	61.6	57.8	
Depreciation	22.9	22.1	
Share options	1.2	1.1	
<b>EBITDA</b>	<b>85.7</b>	<b>81.0</b>	<b>5.8%</b>
Working capital	(0.9)	(4.8)	
Other	(3.7)	(3.5)	
<b>Cash inflow from operations</b>	<b>81.1</b>	<b>72.7</b>	<b>11.6%</b>
Net capital expenditure	(32.5)	(37.3)	
<b>Operating cash flow</b>	<b>48.6</b>	<b>35.4</b>	<b>37.3%</b>
Net finance expense	(6.2)	(5.5)	
Income tax	(18.8)	(13.8)	
Demerger expense	-	(1.0)	
Acquisitions	(0.5)	(4.6)	
Share purchase	(1.2)	(1.0)	
Disposals	0.3	-	
Other	(0.8)	(0.4)	
<b>Cash flow</b>	<b>21.4</b>	<b>9.1</b>	<b>135.2%</b>



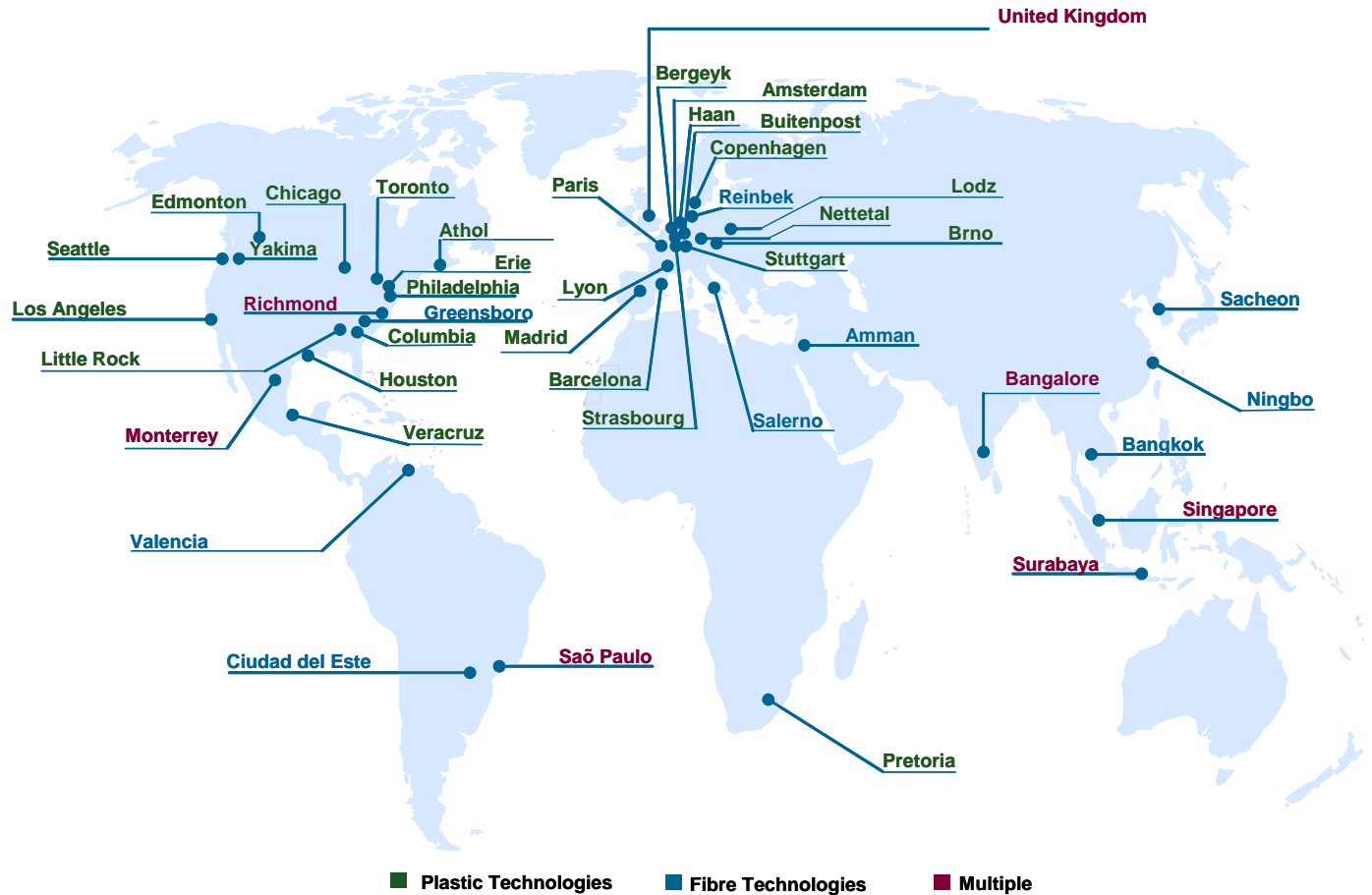
# Operating Review



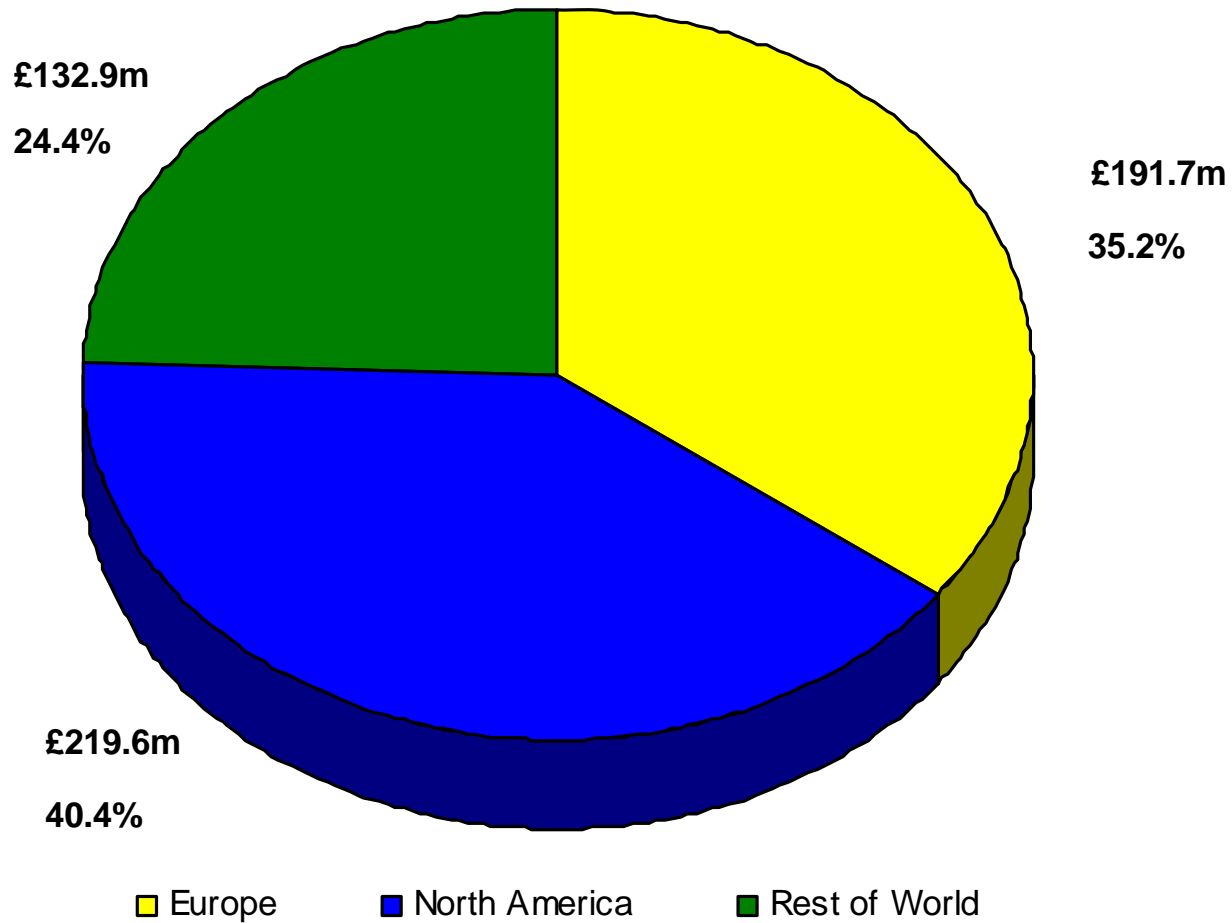
# Global Capability



- 37 Manufacturing facilities
- 32 Distribution units
- 4 Research facilities
- 5,600 employees



# Revenue by Destination - 2006



# Plastic Technologies



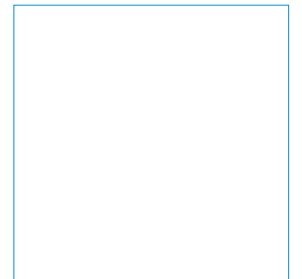
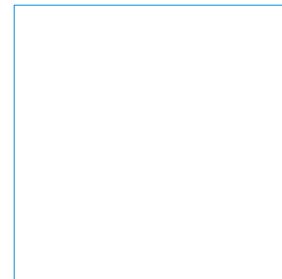
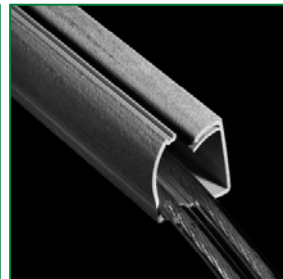
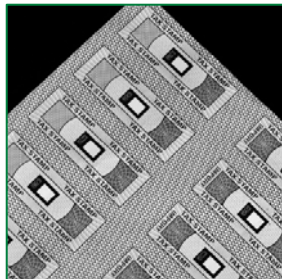
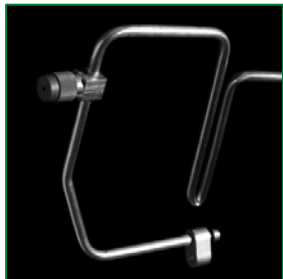
£m	2006	2005	Δ %	Δ %*
Revenue	289.5	273.3	5.9	6.1
Operating profit	41.4	37.6	10.1	10.4
Margin %	14.3	13.8		

Another very successful year

Stronger performance of higher margin businesses

Recovery of raw material and energy cost increases

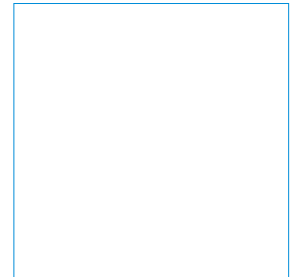
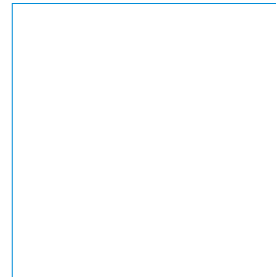
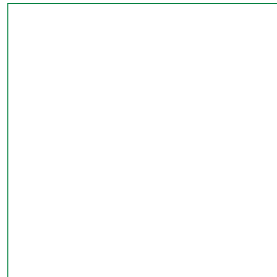
*\*constant exchange rates*



# Protection and Finishing Products



- Now largest profit contributing line of business
- Moss expansion in Continental Europe and mix improvement
- Skiffy continues to develop well ahead of forecasts
- Alliance successful IT implementation and geographic expansion
- Continued strong thread protector volumes and important new customer





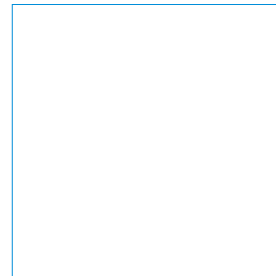
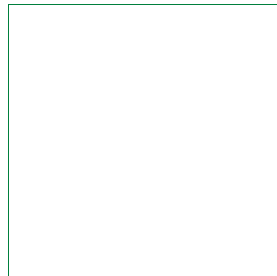
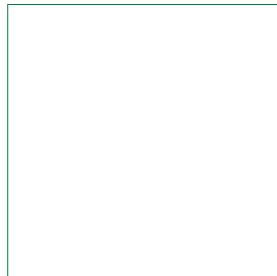
# Moss Northern European Distribution Hub



# Protection and Finishing Products



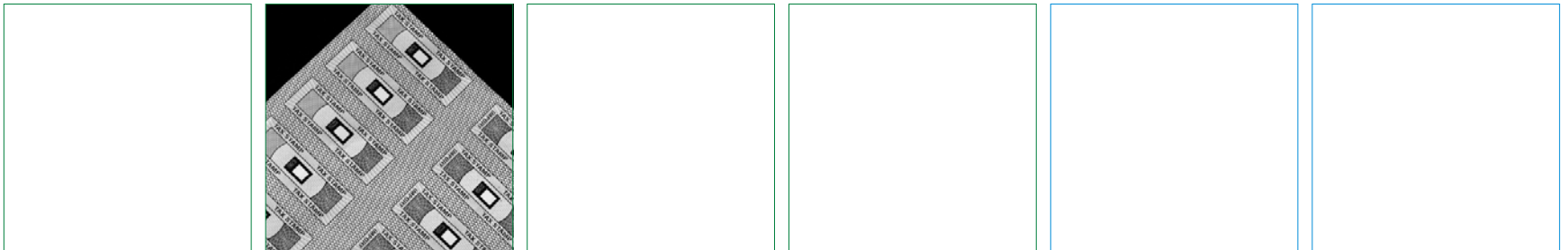
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- Moss expansion in Continental Europe and mix improvement
- Skiffy continues to develop well ahead of forecasts
- Alliance successful IT implementation and geographic expansion
- Continued strong thread protector volumes and important new customer at MSI



# Coated and Security Products



- Sustained world leadership in self-adhesive tear tape
- Ongoing weakness in tobacco industry promotional tapes
- Strong UK passport laminate volumes
- Entry into security labels
- FractureCode progressing well



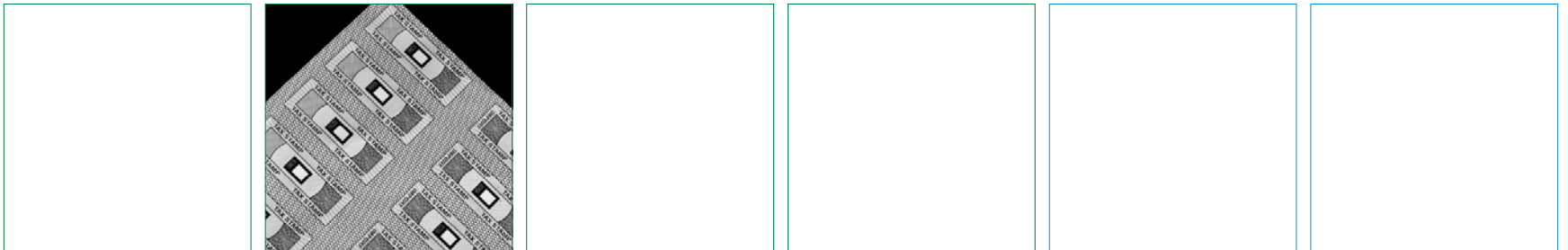
# Passport Label Placing Machinery



# Coated and Security Products



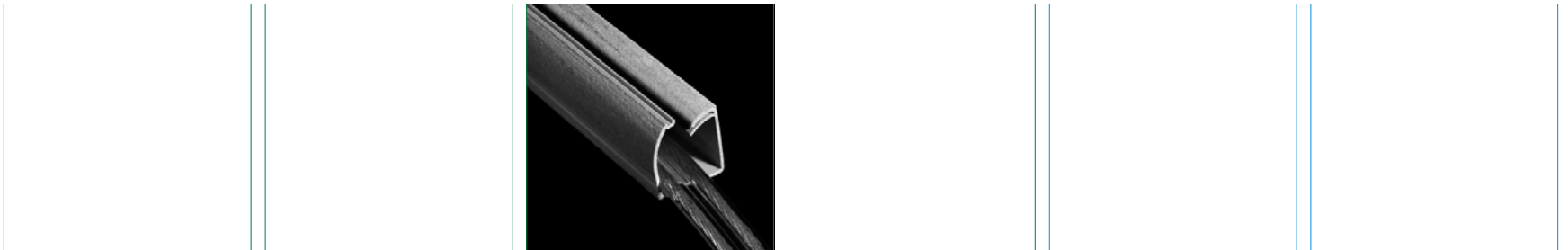
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# Plastic Profile and Sheet



- Strong growth
- Performance assisted by operational and cost efficiencies from Phoenix closure
- Further factory rationalisation announced
- Facility expansion in the Netherlands and Mexico
- New organisation structure implemented to save cost and sharpen focus
- Strong sales in key segments e.g. point of purchase and aerospace
- Cost reduction from investment and continuous improvement



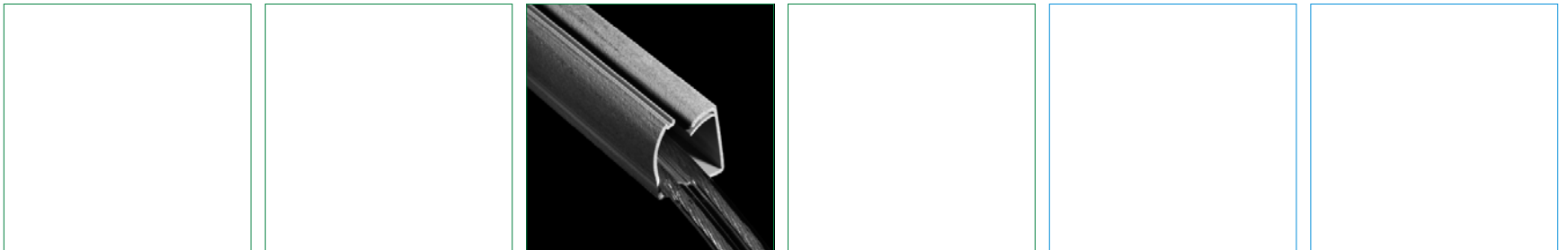
# Filtrona Extrusion Factory in Monterrey



# Plastic Profile and Sheet



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# Globalpack Deodorant Roll-On Ball Line 3



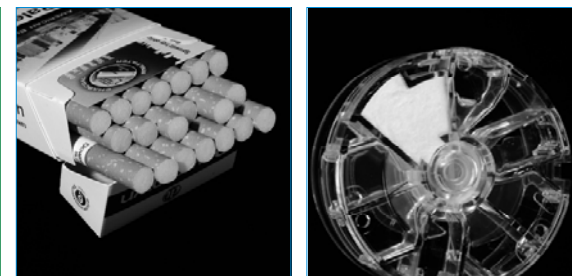
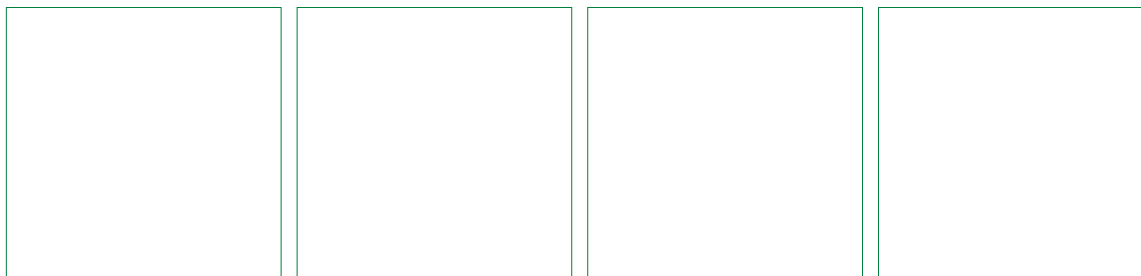
# Fibre Technologies



£m	2006	2005	Δ %	Δ %*
Revenue	254.7	240.4	5.9	5.9
Operating profit	28.1	26.9	4.5	4.9
Margin %	11.0	11.2		

- Revenue growth moderated and profit growth returned in second half
- Cigarette Filters Mexico recovery
- Fibertec Ningbo performing well

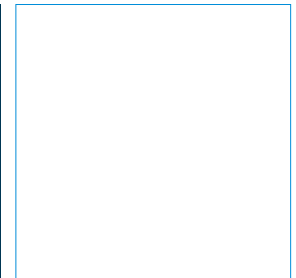
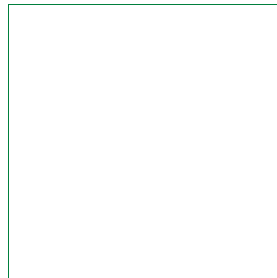
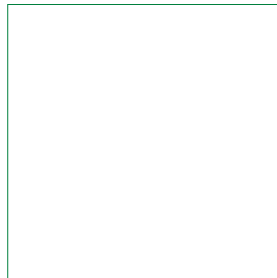
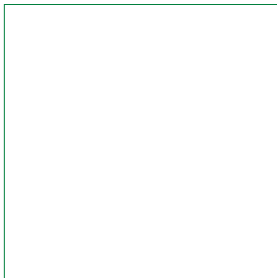
*\*constant exchange rates*



# Cigarette Filters



- Total volumes down 1.6% - specials up 14.1% and monos down 19.0%
- Strengthened management team
- Mexico moved into profit in Q4
- Performance at UK facility improved
- Customer launch of brand with Active Patch™ filter in Polish market
- Strong revenue and profit growth in Asia
- Business loss and restructuring
- Future based on innovative filters and research and development services



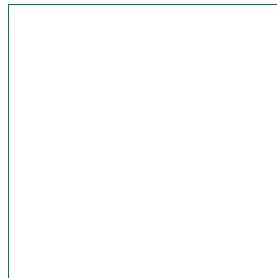
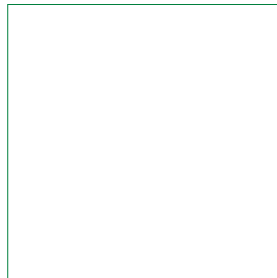
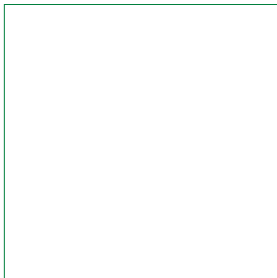
# Active Patch™ Filter Used As Product Differentiator



# Cigarette Filters



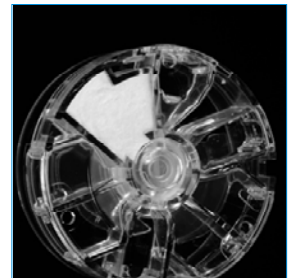
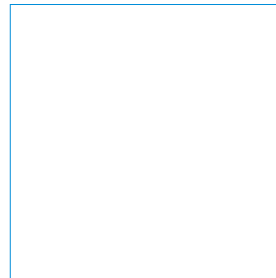
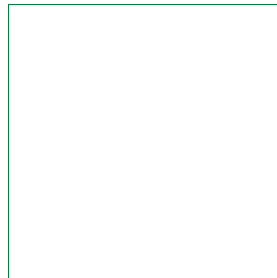
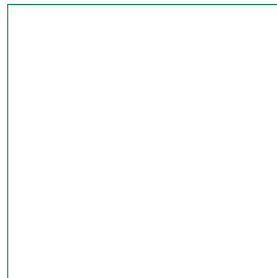
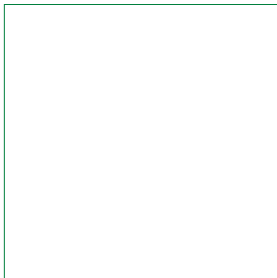
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- Business loss and restructuring
- Future based on innovative filters and research and development services



# Bonded Fibre Components



- Growth from core markets, Asia and new products
- Ningbo profitability
- Ningbo expansion to be completed Q3 2007
- Important business wins from key competition in writing instruments
- Good performance in Germany particularly in household products
- 11 new patents filed
- Exclusive supplier of inkjet printer reservoirs to Eastman Kodak



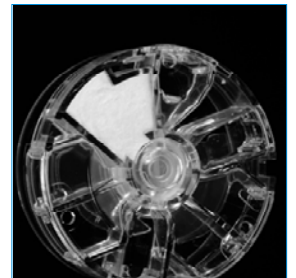
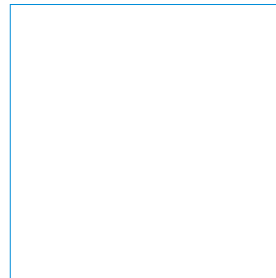
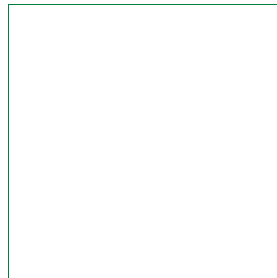
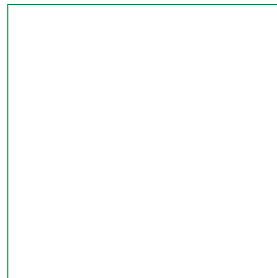
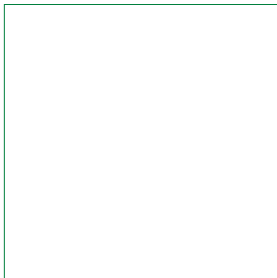
# Fibertec Bonded Fibre Components Ningbo Factory



# Bonded Fibre Components



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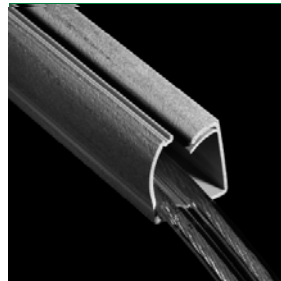
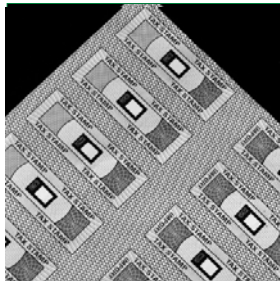
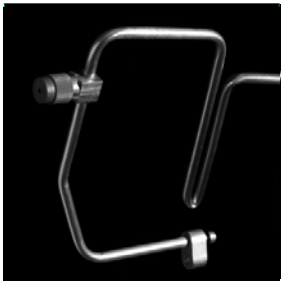




# Overview and Outlook



- Above trend organic revenue and profit growth with strong cash flow
- Plastic Technologies performed very well:-
  - Protection and Finishing has clear strategy and good momentum
  - Security technologies to stimulate sales in Coated and Security
  - Profile and Sheet benefits from strengthened team, new structure and factory configuration
  - Globalpack recovery to continue
- Fibre Technologies improved in second half:-
  - Cigarette Filters to overcome short-term challenges and to benefit from increased R&D investment
  - Bonded Fibre Components to benefit from new customers, products and technologies





# Preliminary results

for year ended 31 December 2006

