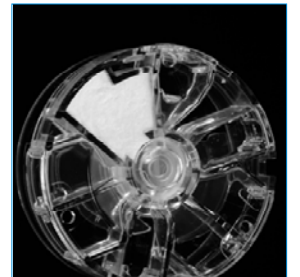
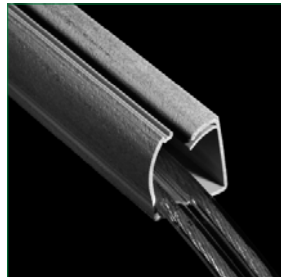
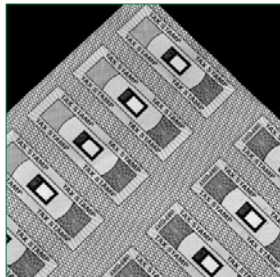
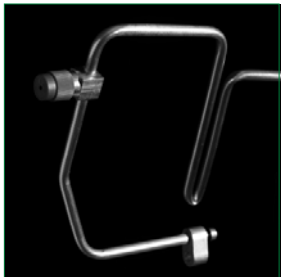




Preliminary results

for year ended 31 December 2006



Disclaimer



THIS DOCUMENT IS STRICTLY CONFIDENTIAL TO THE RECIPIENT, MAY NOT BE DISTRIBUTED TO THE PRESS OR OTHER MEDIA AND MAY NOT BE REPRODUCED IN ANY FORM. NEITHER THIS DOCUMENT NOR ANY COPY OF IT MAY BE TAKEN OR TRANSMITTED INTO THE UNITED STATES OR ANY OF ITS TERRITORIES OR POSSESSIONS OR DISTRIBUTED DIRECTLY OR INDIRECTLY IN THE UNITED STATES OR TO ANY U.S. PERSON (WITHIN THE MEANING OF REGULATIONS UNDER THE U.S. SECURITIES ACT OF 1933).

THIS DOCUMENT IS DIRECTED ONLY AT PERSONS WHO (I) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.") OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 OR (II) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS OR (III) WHO ARE INTERMEDIATE CUSTOMERS UNDER CHAPTER 4 OF THE FINANCIAL SERVICES AUTHORITY CONDUCT OF BUSINESS RULES (BUT ONLY IF THIS DOCUMENT IS PREPARED AND DISTRIBUTED, OR APPROVED BY, A PERSON AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000) OR (IV) ARE OUTSIDE THE UNITED KINGDOM (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS DOCUMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS.

NEITHER THIS DOCUMENT NOR ANY COPY OF IT MAY BE TAKEN OR TRANSMITTED TO, OR DISTRIBUTED OR REDISTRIBUTED IN CANADA, AUSTRALIA OR JAPAN OR TO ANY RESIDENT THEREOF. THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS.

WHILE THE INFORMATION IN THIS DOCUMENT AND THE OPINIONS ARE BASED ON SOURCES BELIEVED TO BE RELIABLE, FILTRONA PLC (THE "COMPANY") HAS NOT INDEPENDENTLY VERIFIED THE CONTENTS OF THIS DOCUMENT. ACCORDINGLY, NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE AS TO AND NO RELIANCE SHOULD BE PLACED ON THE FAIRNESS, ACCURACY, COMPLETENESS OR CORRECTNESS OF THE INFORMATION AND OPINIONS CONTAINED IN THIS DOCUMENT OR IN ANY PRESENTATION OR OTHER COMMUNICATION (WHETHER WRITTEN OR ORAL) ACCOMPANYING THIS DOCUMENT, AND NONE OF THE COMPANY OR ITS SHAREHOLDERS, NOR ANY OF THEIR AFFILIATES OR ANY OF THEIR RESPECTIVE DIRECTORS, MEMBERS, OFFICERS OR EMPLOYEES SHALL HAVE ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM ANY USE OF THIS DOCUMENT OR ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION THEREWITH.

THIS DOCUMENT DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER FOR SALE OR SUBSCRIPTION OF, OR SOLICITATION OF ANY OFFER TO BUY OR SUBSCRIBE FOR, SHARES IN THE COMPANY OR ANY OTHER SECURITIES, NOR SHALL IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED ON IN CONNECTION WITH, OR ACT AS AN INDUCEMENT TO ENTER INTO, ANY CONTRACT OR COMMITMENT WHATSOEVER WITH RESPECT TO ANY SUCH SHARES OR SECURITIES.

THIS DOCUMENT HAS BEEN FORWARDED TO YOU SOLELY FOR YOUR INFORMATION AND MAY NOT BE REPRODUCED OR REDISTRIBUTED TO ANY OTHER PERSON. BY ACCEPTING THIS DOCUMENT YOU AGREE TO BE BOUND BY THE FOREGOING LIMITATIONS.

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



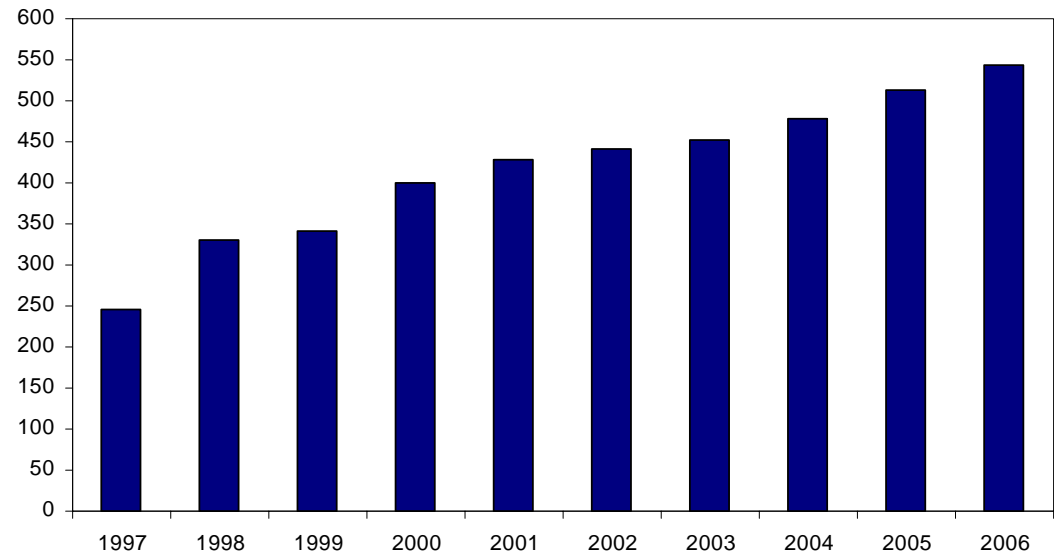
10 year track record

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

2006

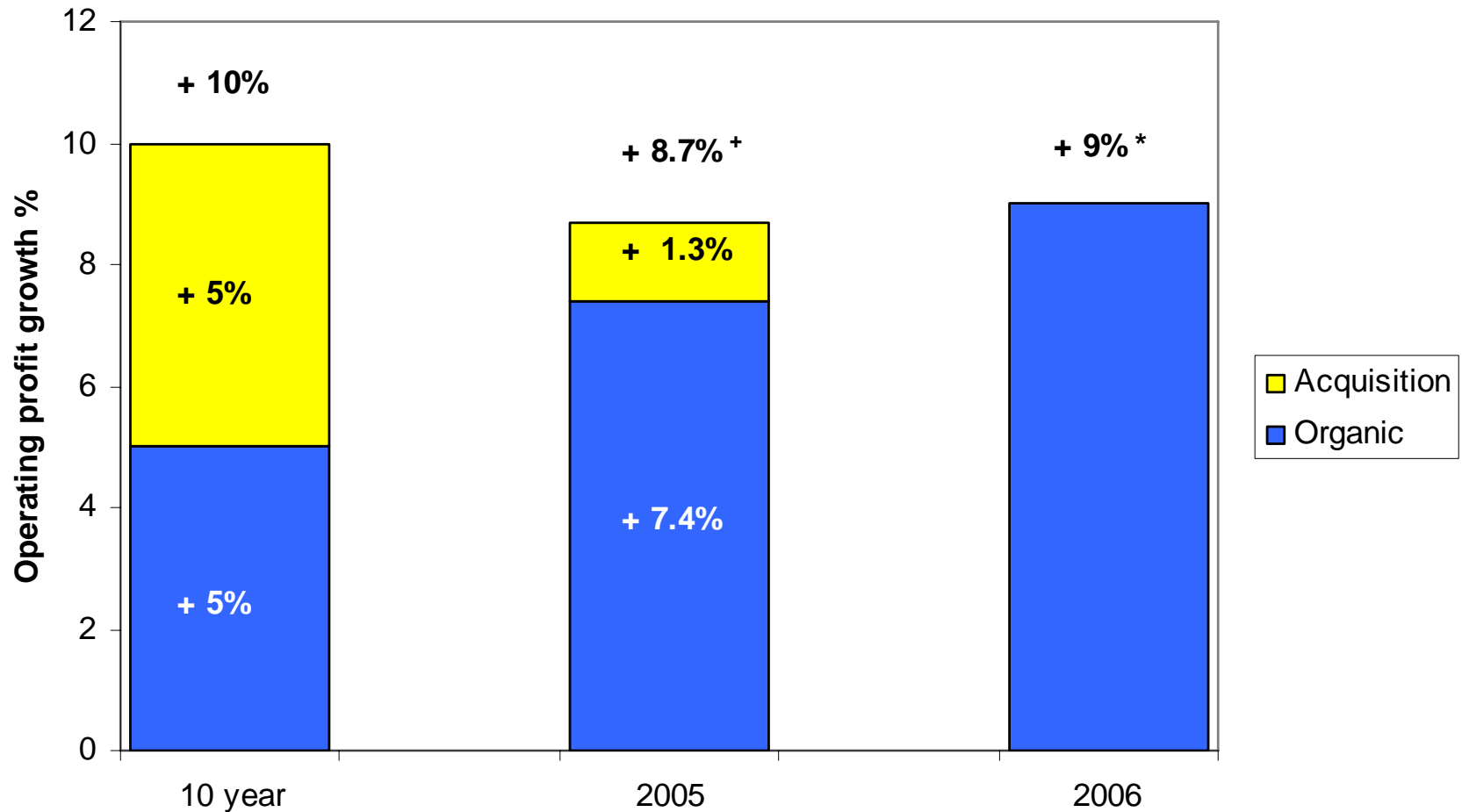
- revenue up 5.9%
- constant currency basis up 6.0%
- double digit margins - 11.3%

Revenue (£m)



Financial track record of strong growth and double digit margins

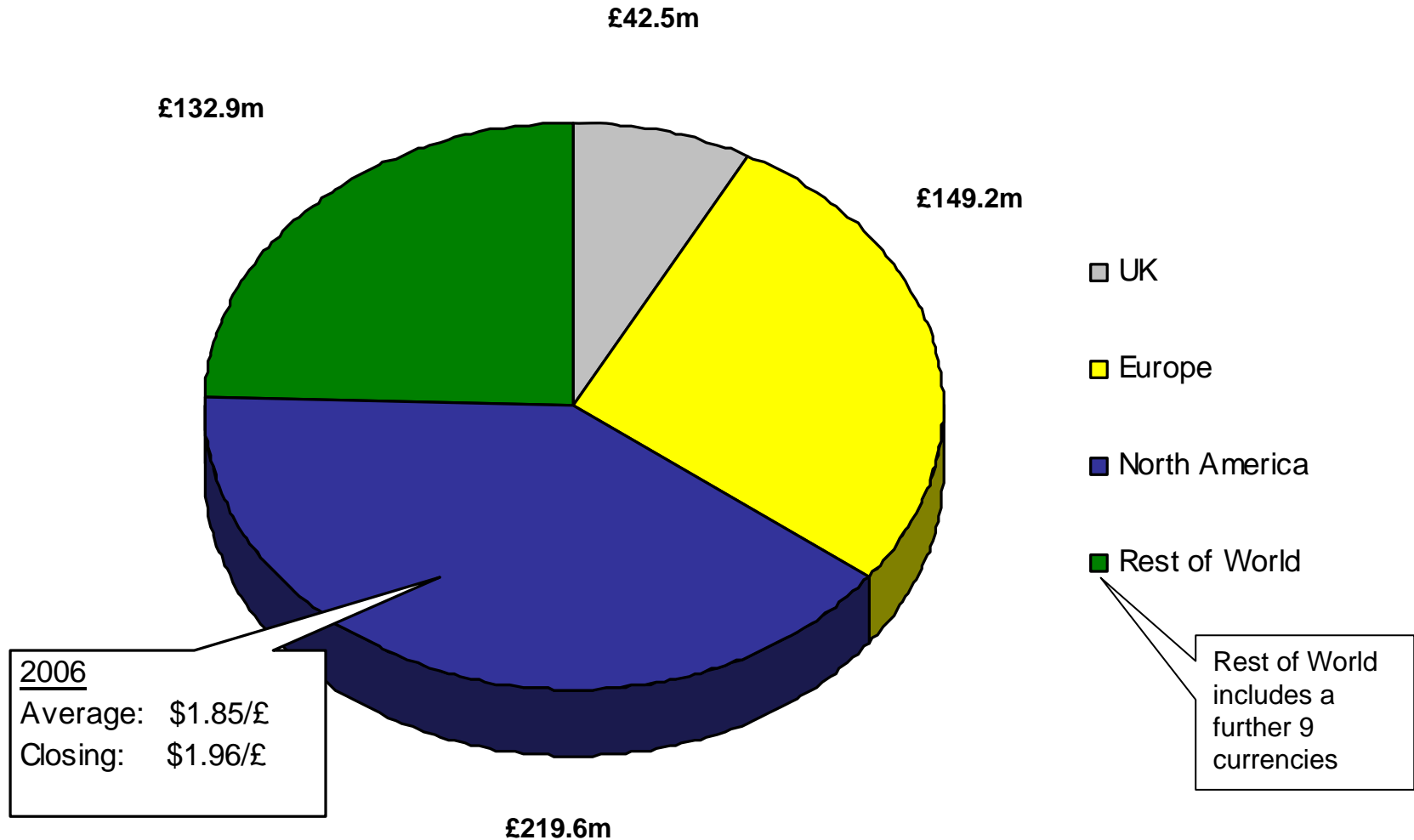
Financial Track Record II



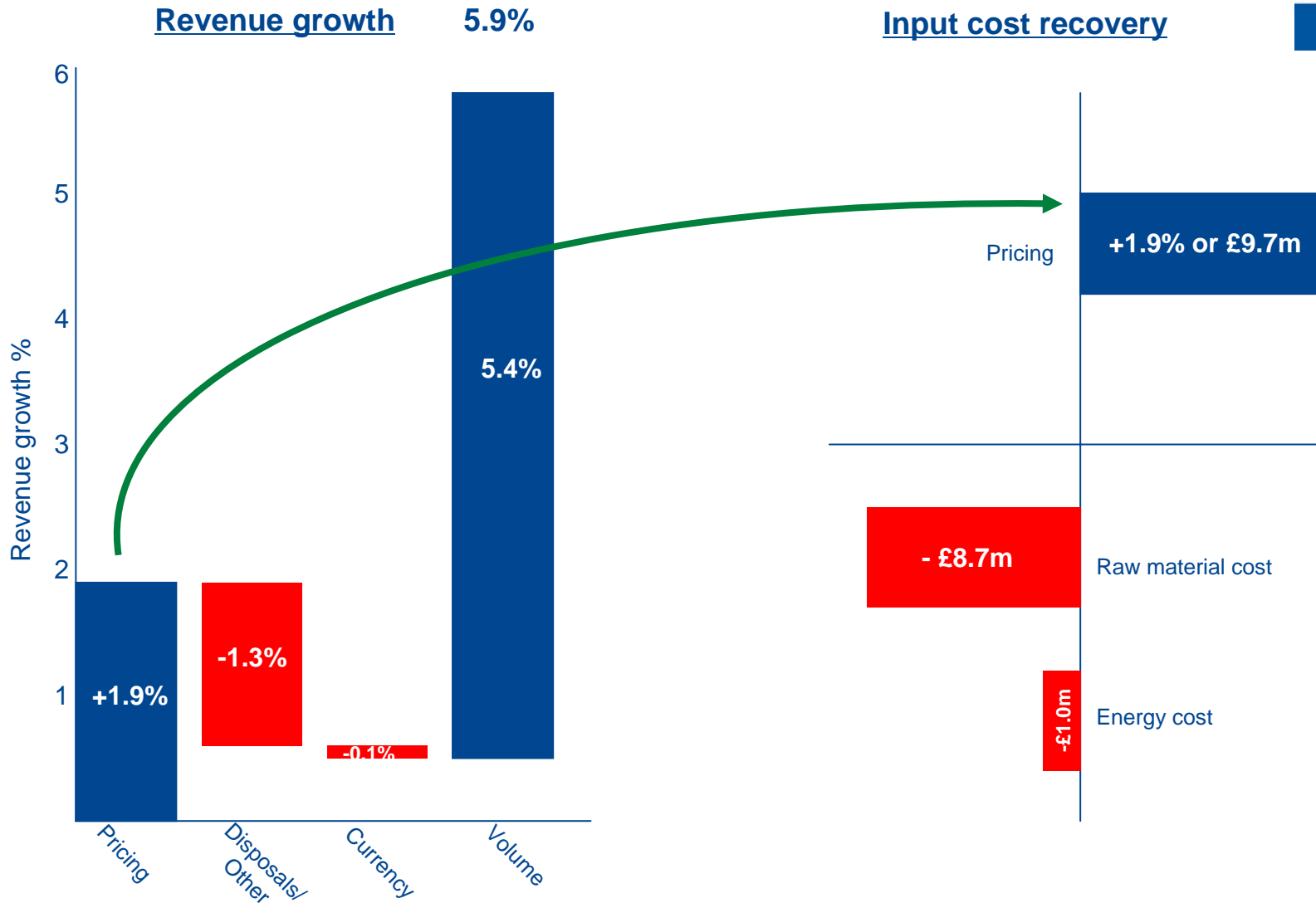
* Underlying growth

⁺ 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 %
Operating profit		61.6		57.8	6.6
Amortisation		(0.9)		(0.8)	
Demerger expense		-		(1.0)	
Net finance expense		(6.1)		(6.0)	
Profit before tax		54.6		50.0	9.2
Income tax	34.1%	(18.6)	34.0%	(17.0)	
Minority interests		(1.5)		(1.4)	
Earnings		34.5		31.6	9.2
Basic EPS		15.8p		14.4p	9.7
Adjusted EPS		16.0p		15.0p	6.7
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/> 247.5	<hr/> 250.5
Shareholders' funds	142.7	124.7
Minority interests	6.0	5.6
Net debt	98.8	120.2
	<hr/> 247.5	<hr/> 250.5
Net debt to ebitda	1.2	1.5
Return on average capital (%)	23.8	23.7

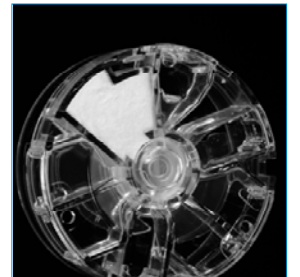
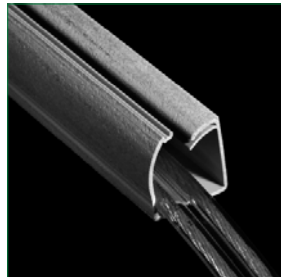
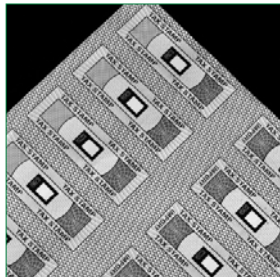
Cash Flow



£m	2006	2005	Δ%
Operating profit	61.6	57.8	
Depreciation	22.9	22.1	
Share options	1.2	1.1	
EBITDA	85.7	81.0	5.8%
Working capital	(0.9)	(4.8)	
Other	(3.7)	(3.5)	
Cash inflow from operations	81.1	72.7	11.6%
Net capital expenditure	(32.5)	(37.3)	
Operating cash flow	48.6	35.4	37.3%
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)	
Cash flow	21.4	9.1	135.2%



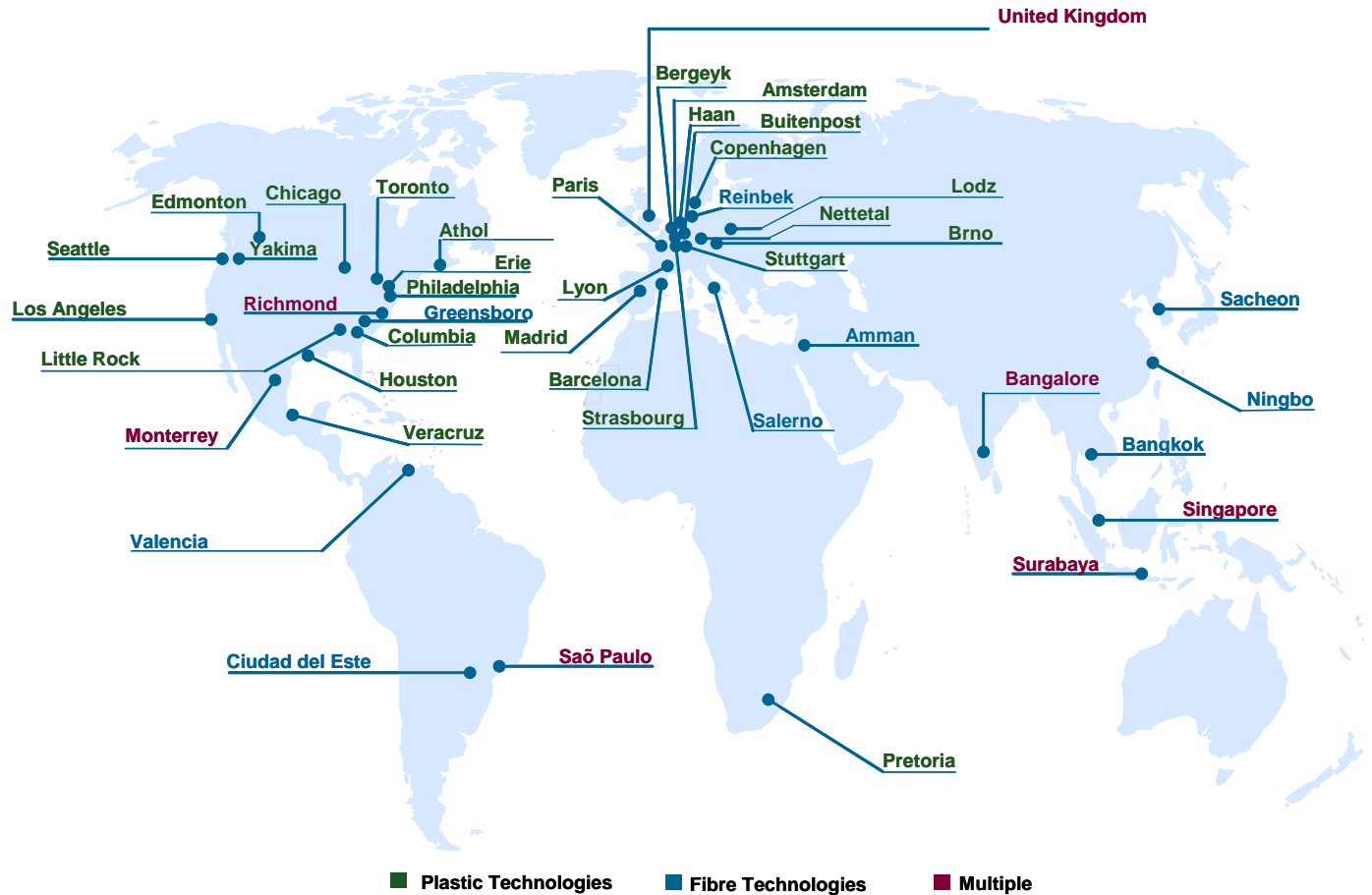
Operating Review



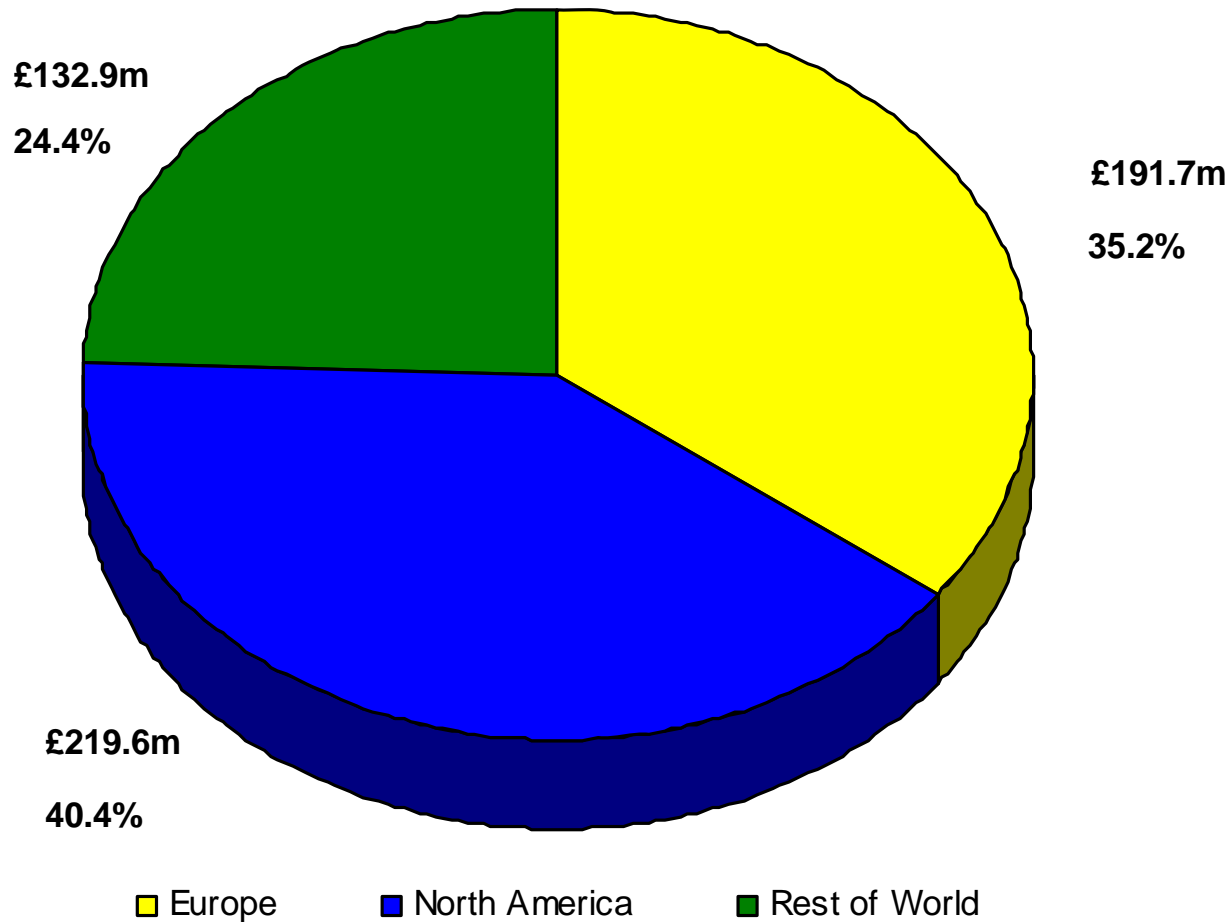
Global Capability



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



Revenue by Destination - 2006



Plastic Technologies



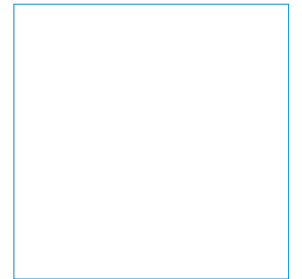
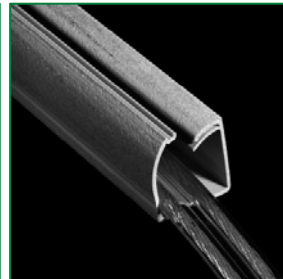
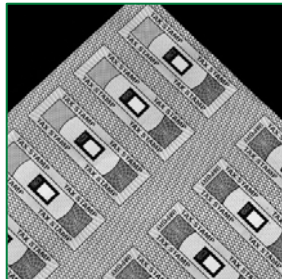
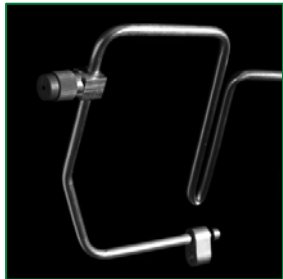
£m	2006	2005	Δ %	Δ %*
Revenue	289.5	273.3	5.9	6.1
Operating profit	41.4	37.6	10.1	10.4
Margin %	14.3	13.8		

Another very successful year

Stronger performance of higher margin businesses

Recovery of raw material and energy cost increases

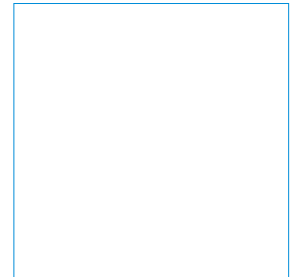
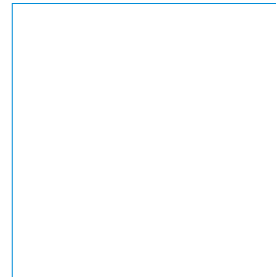
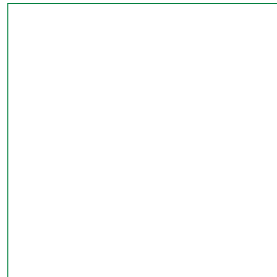
**constant exchange rates*



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



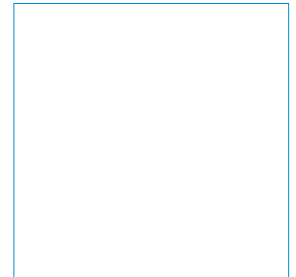
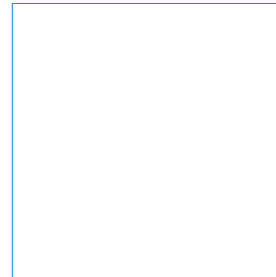
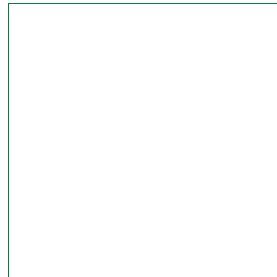
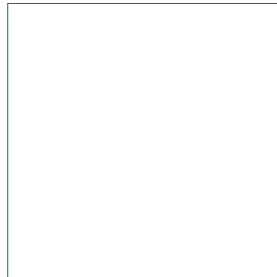
Moss Northern European Distribution Hub



Protection and Finishing Products



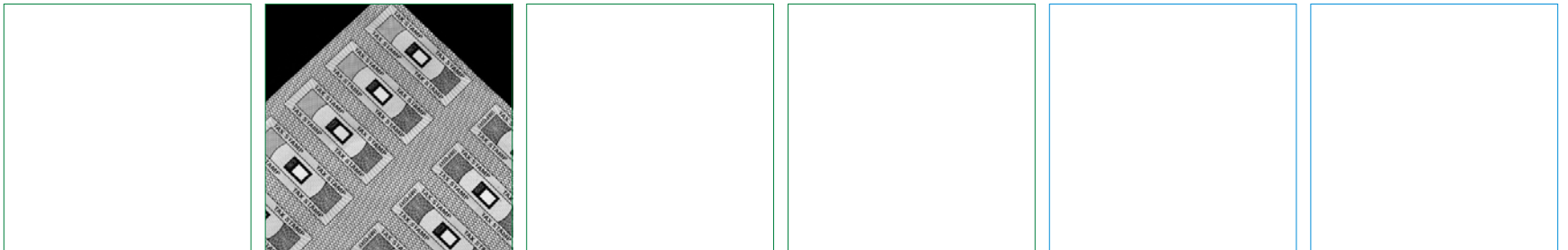
- Now largest profit contributing line of business
- Moss expansion in Continental Europe and mix improvement
- Skiffy continues to develop well ahead of forecasts
- Alliance successful IT implementation and geographic expansion
- Continued strong thread protector volumes and important new customer at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



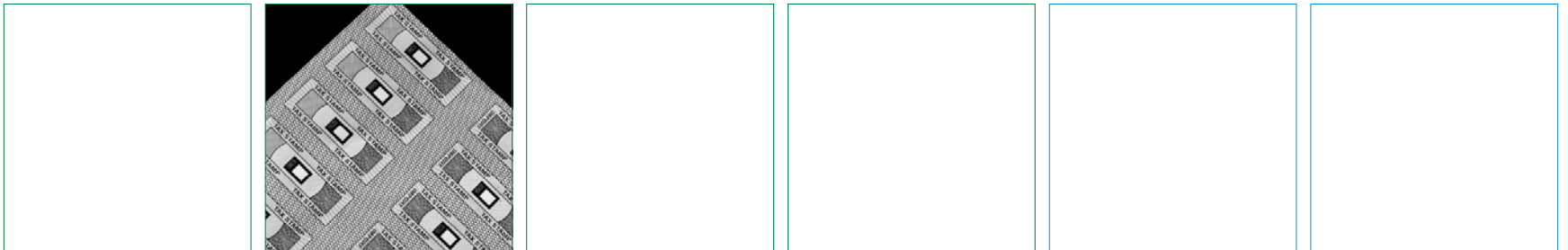
Passport Label Placing Machinery



Coated and Security Products



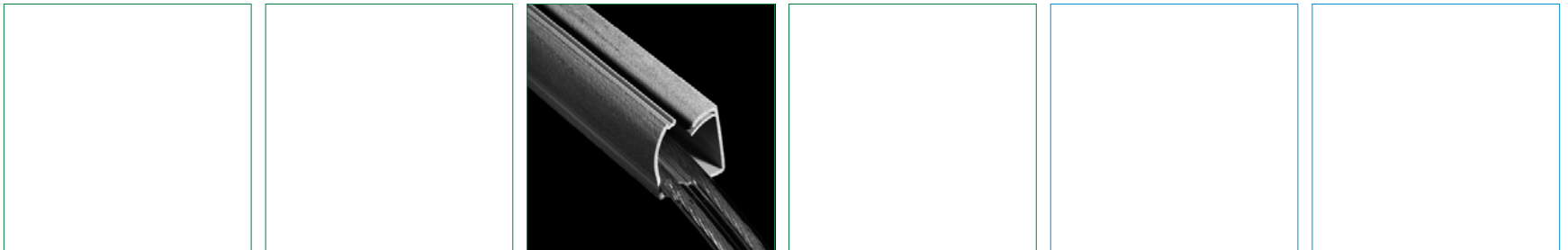
- Sustained world leadership in self-adhesive tear tape
- Ongoing weakness in tobacco industry promotional tapes
- Strong UK passport laminate volumes
- Entry into security labels
- FractureCode progressing well



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



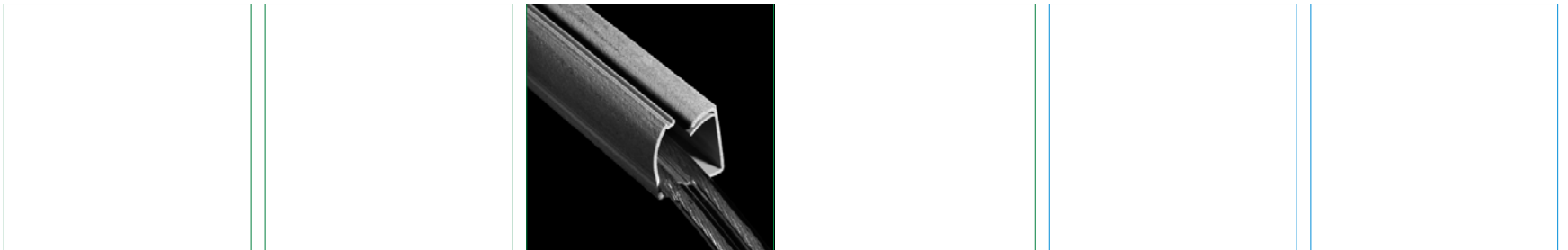
Filtrona Extrusion Factory in Monterrey



Plastic Profile and Sheet



- 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



Globalpack Deodorant Roll-On Ball Line 3



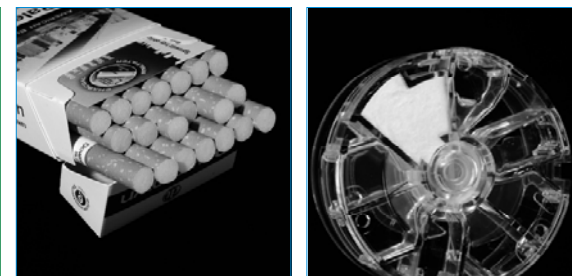
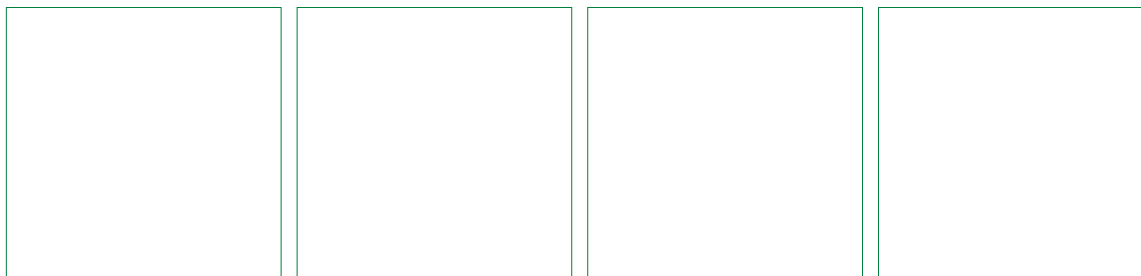
Fibre Technologies



£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

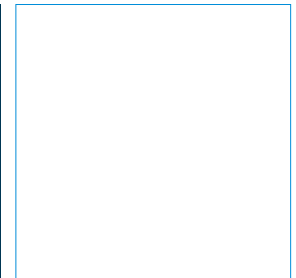
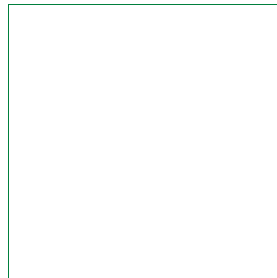
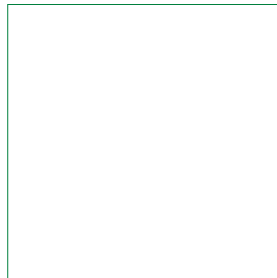
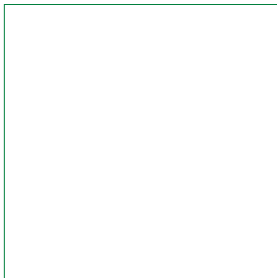
**constant exchange rates*



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



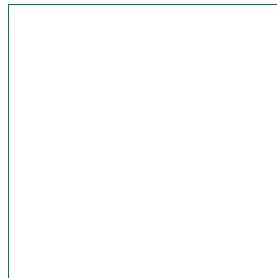
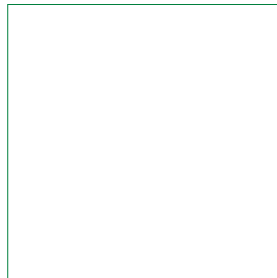
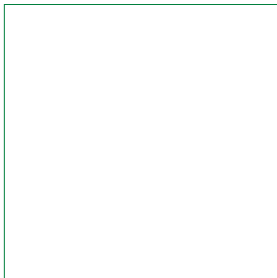
Active Patch™ Filter Used As Product Differentiator



Cigarette Filters



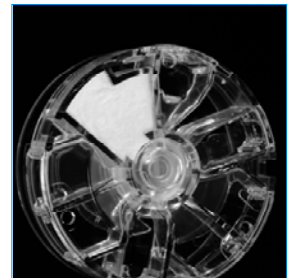
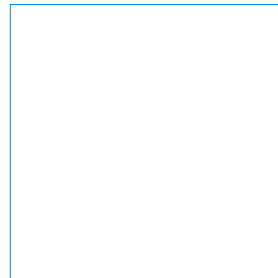
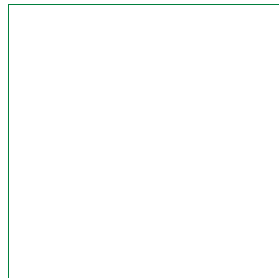
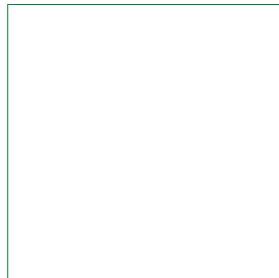
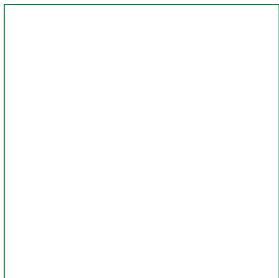
- Total volumes down 1.6% - specials up 14.1% and monos down 19.0%
- Strengthened management team
- Mexico moved into profit in Q4
- Performance at UK facility improved
- Customer launch of brand with active patch filter in Polish market
- Strong revenue and profit growth in Asia
- Business loss and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



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



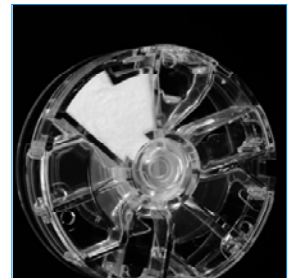
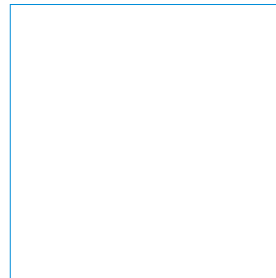
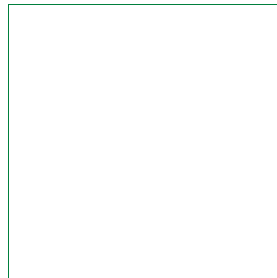
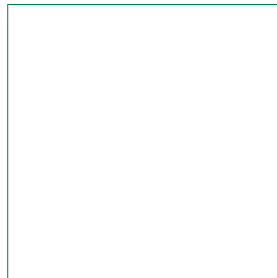
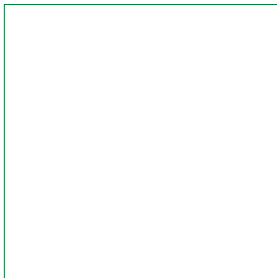
Fibertec Bonded Fibre Components Ningbo Factory



Bonded Fibre Components



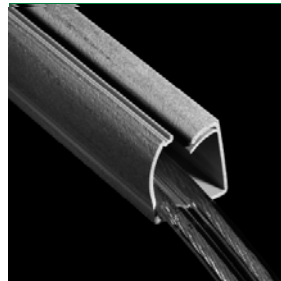
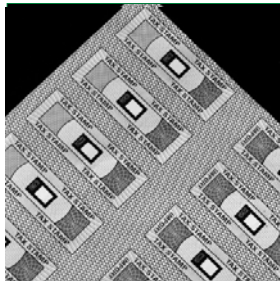
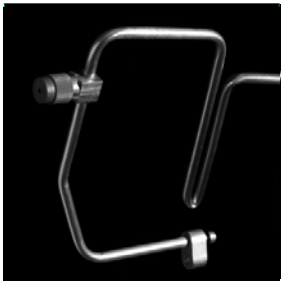
- Growth from core markets, Asia and new products
- Ningbo profitability
- Ningbo expansion to be completed Q3 2007
- Important business wins from key competition in writing instruments
- Good performance in Germany particularly in household products
- 11 new patents filed
- Exclusive supplier of inkjet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



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

