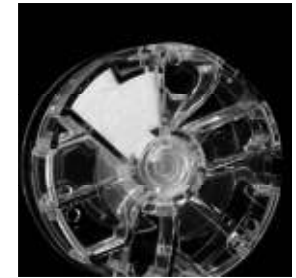




Cigarette Filters

P.T. Sreekumar



Business Description



Filtrona Filters is the *only* global independent *cigarette filter supplier* to the tobacco industry








With manufacturing and sales facilities strategically positioned in key locations worldwide the company can deliver:

- innovative technology
- highest quality products globally
- cost effective and flexible solutions
- local support infrastructure



Products and Applications



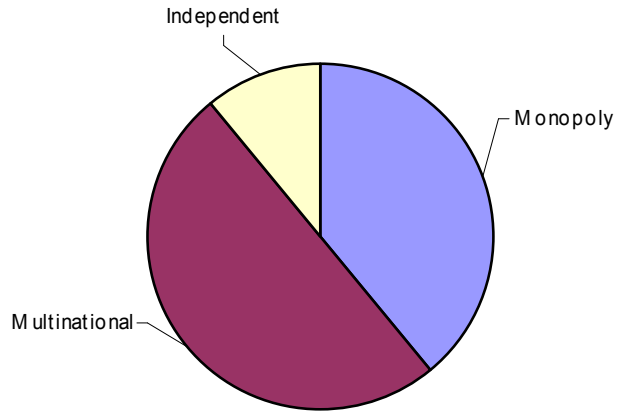
	Definition	Product & Application
Technology Services	Joint development consultancy, scientific services.	 
Mono acetate filters	Conventional mono cigarette filter.	
Mono acetate slim filters	Conventional mono slim cigarette filter.	
Carbon filters	Cigarette filters incorporating carbon or other additive.	
Flavour filters	Flavoured cigarette filters of either mono or multiple segment construction.	
Other special filters	Cigarette filters incorporating a unique filtration or physical differentiation.	



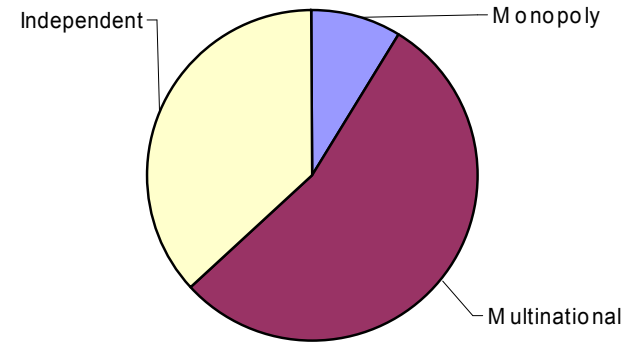
Served Markets



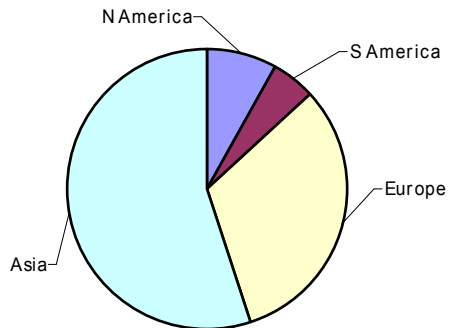
Customer Segments - Market



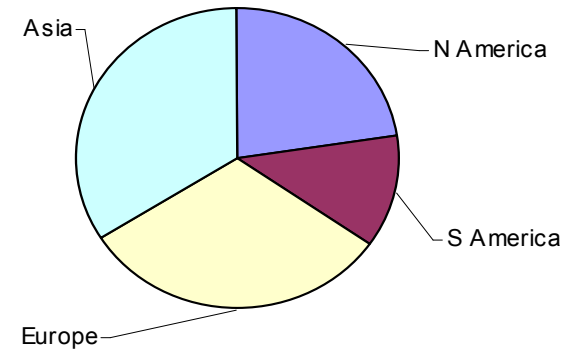
Customer Segments - Filtrona



Geographical Segments - Market



Geographical Segments - Filtrona

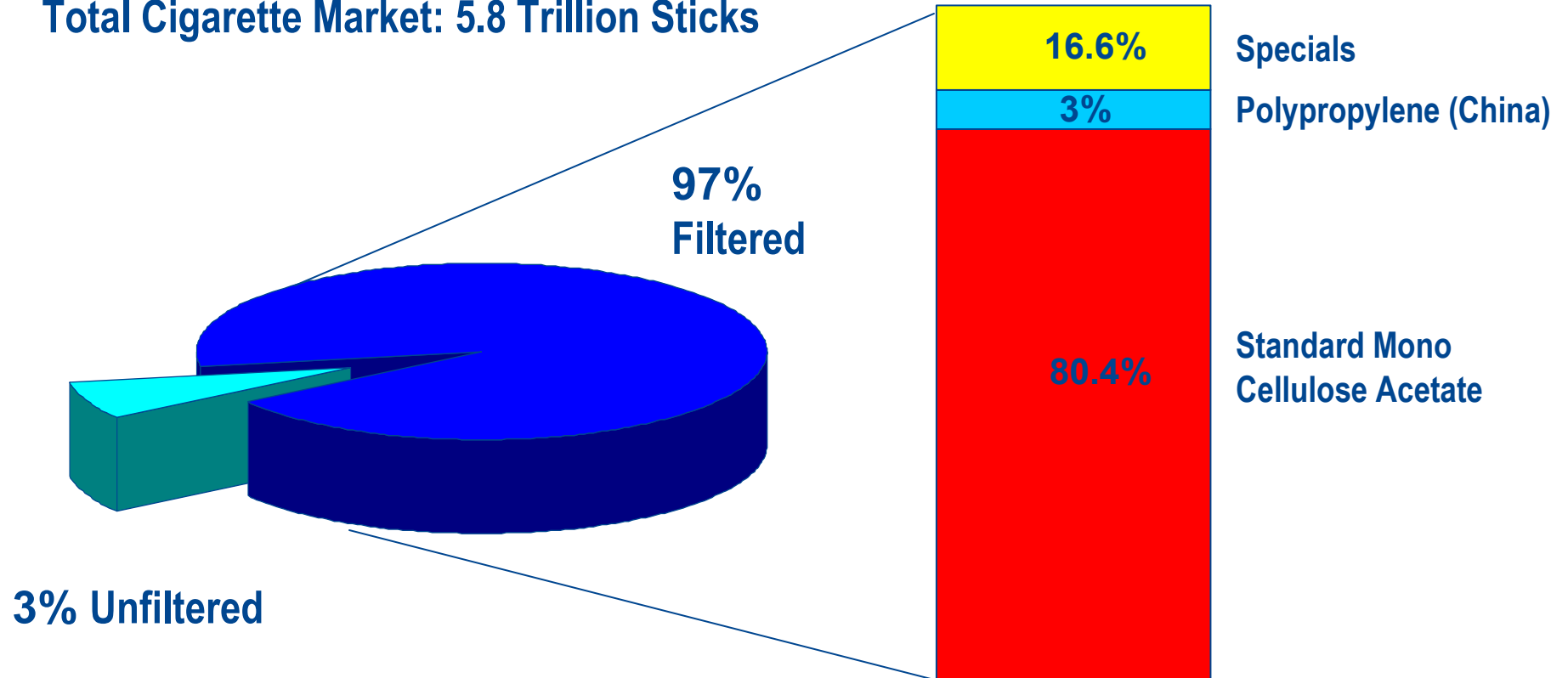


* By Volume

Cigarette Market Breakdown 2006

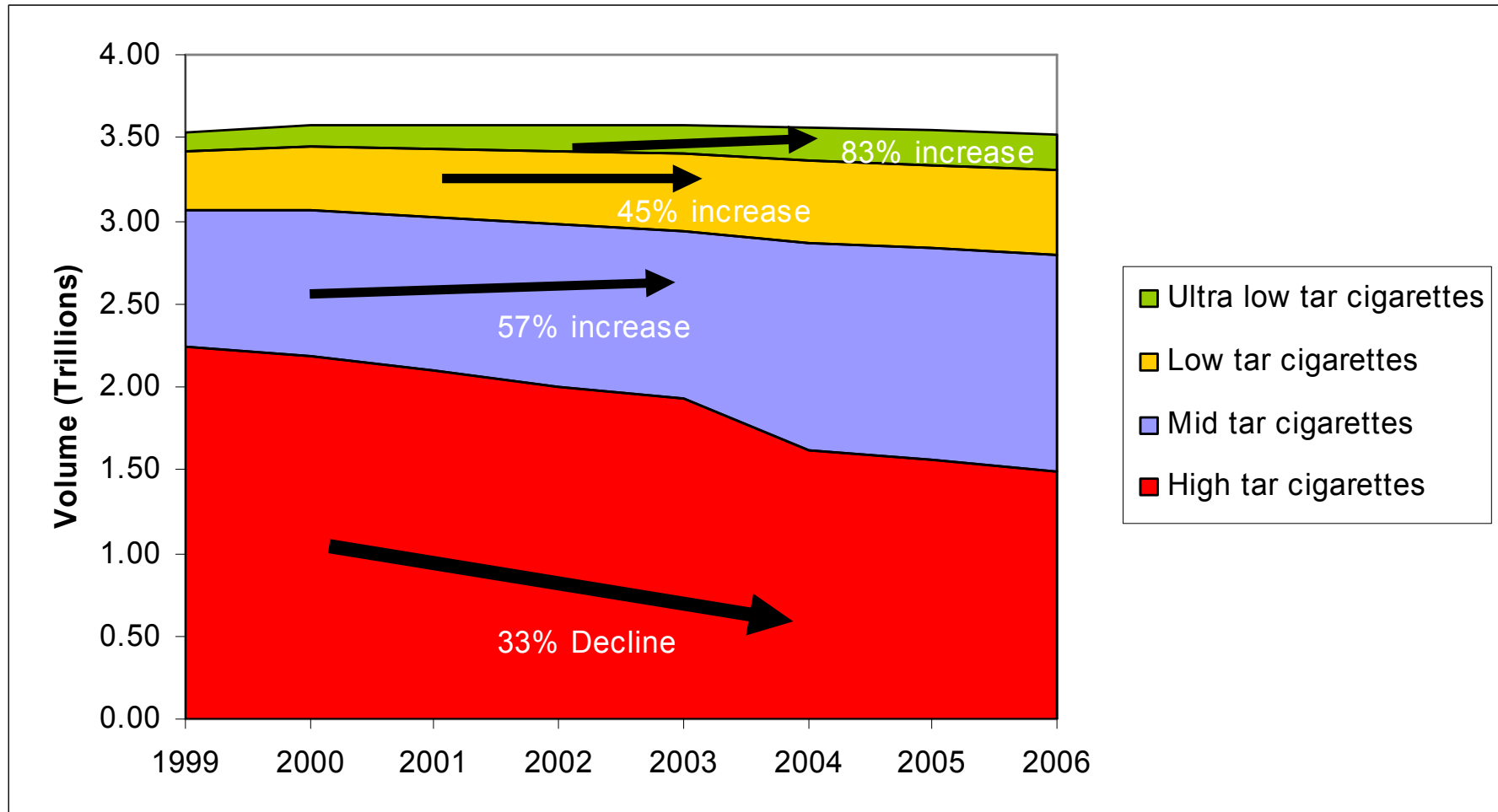


Total Cigarette Market: 5.8 Trillion Sticks



Source :Euromonitor/TDC Research

Global Cigarette Market by Tar Brand (excluding China)



Source: Euromonitor 2007

Market Position



Customer Segments	Total No. of Customers- Filtrona	Total Number of Customers- Market
Multinational	5	5 (Account for 50% of cigarette market)
Monopoly	6	7 (Account for 39% of cigarette market)
Independent	305	500 (account for 11% cigarette sales)
Total	313	511

Approximately 6.5% global share of total filter market

Approximately 27% global share of special filter market



Global Footprint



Manufacturing Locations

- US
- Mexico
- Venezuela
- Paraguay
- UK
- Italy
- Hungary
- Jordan
- Germany
- India
- Thailand
- Indonesia

Sales Offices

- Singapore
- Beijing

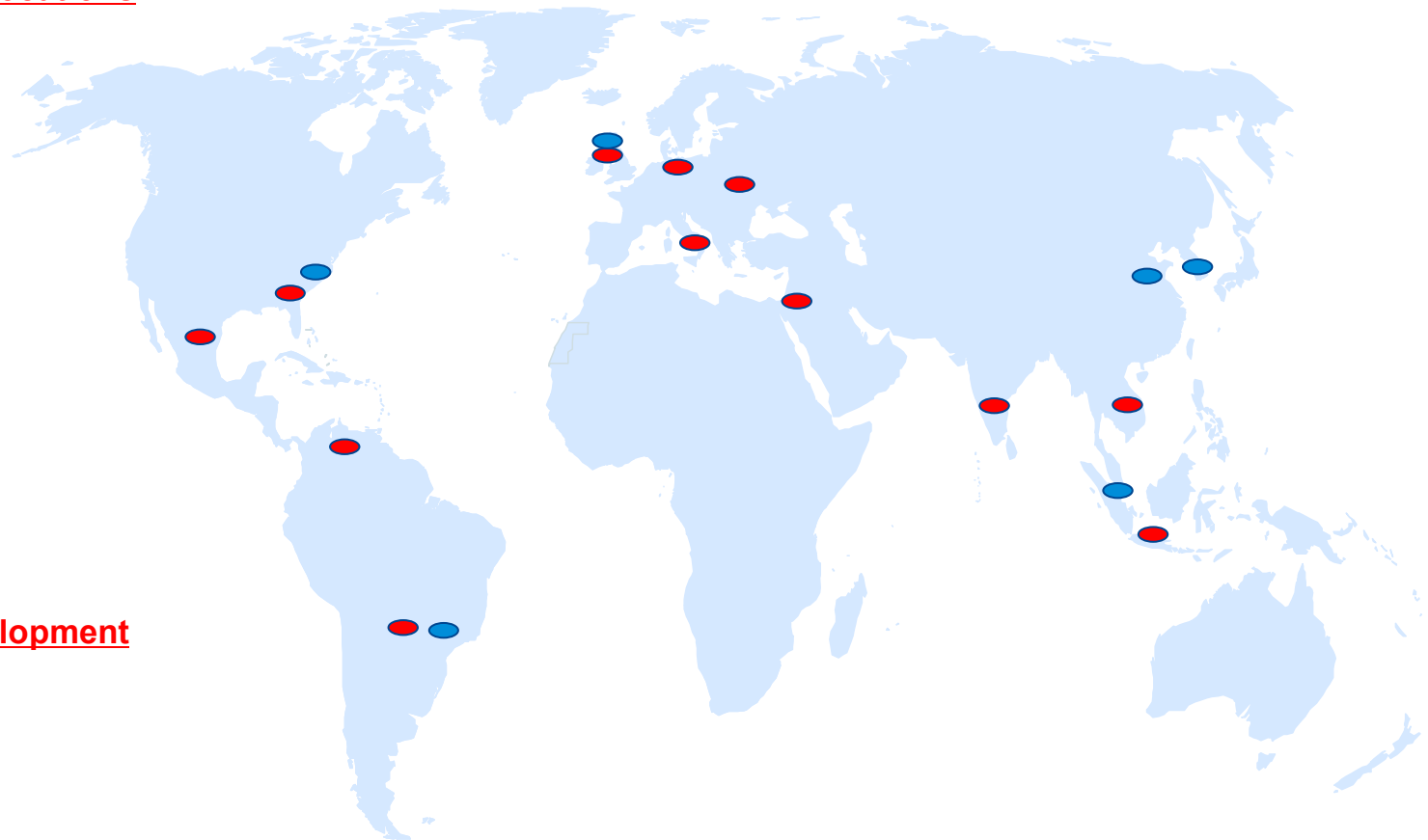
Technical / Development

Centres

- UK
- US

Logistics Hubs

- Korea
- Brazil



- Manufacturing
- Sales / Logistics

Sources of Competitive Advantage



- Innovation in materials, products and processes
- Global footprint and supply infrastructure
- High calibre employees
- International standard accreditations
- Independence and reputation
- Modern, flexible and low cost manufacturing systems

The Preferred Solution Provider to the Cigarette Industry

Growth Drivers



- High growth of special filters for PREPS
- Asian market development
- Market seeking innovation to create brand differentiation
- Market leaders receptive to strategic relationships which add value
- Cost effective, flexible supply chain



Forward Strategy



- Differentiation strategy created through technology
- Manufacturing strategy: cost competitiveness and supply flexibility
- Developing market focus
- Value creation by leveraging knowledge and branding
- Value creation through joint developments and leveraging of scientific services





Cigarette Filters

