

Filtrona plc

Strategy Presentation: Coated & Security Products Division

Tony Edwards

15th June 2012

Agenda



- 1. About Coated & Security Products**
- 2. Market trends**
- 3. Delivering Vision 2015 objectives**

What we do



- Payne
 - Global leader in self-adhesive tear tape
 - 31m km produced pa
 - Growing capability in creative self-adhesive labels, closures & seals
- Payne Security
 - Strong position in brand protection
 - Expertise in printing, inks and taggant technologies
 - Growing capability in the document & identity solutions market
- Two-times winner of the Queen's Award for Innovation
- Competitive advantages:
 - Creativity & innovation
 - Proprietary systems & technologies
 - Range of carriers & formats
 - Ability to combine systems, technology & materials
 - State-of-the art production capability
 - Global footprint



Providing creative & secure solutions

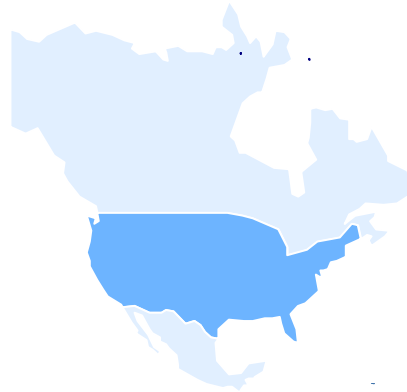
Where we do it & who for



Vision 2015



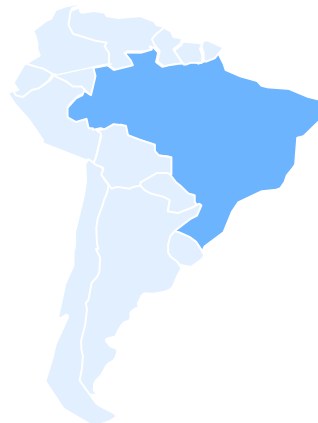
North America



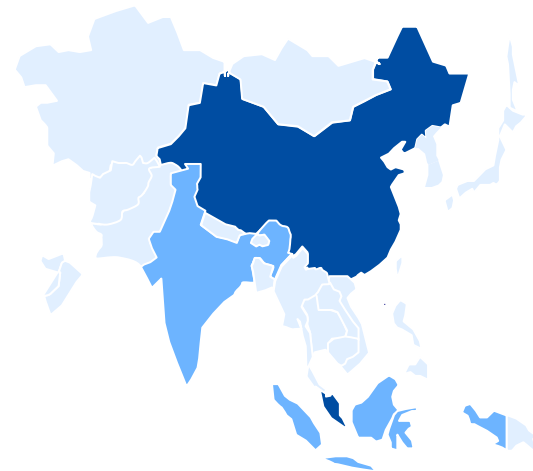
Europe



South America



Asia



Supplier to >11,500 customers in more than 130 countries

NOTE: Darker blue shaded countries denote a sales presence only

Market trends



Functionality & convenience

“Packaging is the number one medium to communicate the brand.”

Michael Okoroafor, vice president of global packaging, HJ Heinz, The Packaging Conference, February 2012

Increasing consumer communication



Illicit trade & legislation



Sustainability & waste reduction



Total solution provider



Secure identities

Increasing role for innovation to address industry trends

Identify key new product opportunities



Investment in technology



THE QUEEN'S AWARDS FOR ENTERPRISE: INNOVATION 2011



Functional pack advantages
Opening & closing



Eco positioning
Closing & resealability



Complete card production
& fulfilment offer

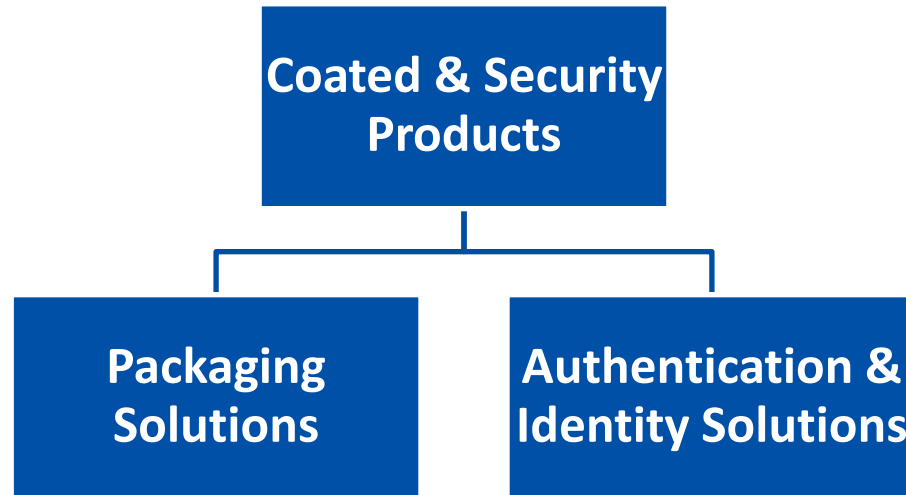


Creative & secure design
Protecting & informing



Targeting growth opportunities on a number of fronts

Strengthen organisational structure & talent base



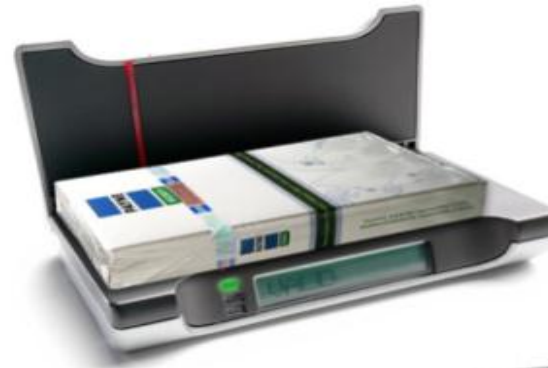
- Re-focused GTM efforts on two key business streams
- Key external appointments to supplement internal promotions
- Increased focus on talent identification & development to support more aggressive growth strategy
- Clear programmes for employee engagement and development
 - Investors in People: Gold Award

Increased focus & accountability

Focus on faster growing markets / economies



- Broaden creative packaging offering to capture market trend opportunities and consumer relevance
- Innovate in growth areas in Authentication & Identity Solutions
 - Eg, technology to help fight illicit trade
- Sales resource strengthened in Asia, Latin America & Africa



Accelerate product growth opportunities through footprint expansion

Identify value-creating, complementary M&A



Filtrona's M&A scorecard ...

... in the context of Coated & Security Products

PLACE:

- Expand footprint for serving MNCs and exploit opportunities in developing and growing markets

PRODUCT & MARKETS:

- Add capability to broaden product offering and development capability
- Strengthen position in existing categories
- Enter new categories where we can also add value
- Possible opportunities in:
 - Functional tapes
 - Creative & secure labels
 - Authentication technologies

PEOPLE:

- Local knowledge in new regions and markets
-

M&A to expand footprint & improve capabilities

Invest in improving operational excellence & execution



Investment in machinery and capability for the next generation Blue Badge in the UK

- Use of modern manufacturing techniques to drive continuous improvement
- Use of technology and materials science
 - Improve quality from continuous processes
- Development of process orientation
 - Enhance customer experience
 - Support expansion cost effectively
- Expansion of capability and footprint via organic investment and M&A

Enhancing market leader status

Conclusion



Vision 2015 objectives ...

Identify key new product opportunities

Strengthen organisational structure & talent base

Focus on faster growing markets / economies

Identify value-creating M&A opportunities

Invest in improving operational excellence & execution

... and some examples of what we're doing

- Innovative new product development to meet industry needs
- Refocused GTM efforts on 2 key business streams
- Increased focus on talent identification & development
- Clear programmes for employee engagement
- Broaden capabilities in growth categories of creative packaging, authentication & identity solutions
- Acquisition of Securit consistent with Filtrona's "3Ps" criteria
- Investment in machinery & capability (eg, next generation Blue Badge)
- Continuous improvement initiatives in manufacturing, technology, materials & processes

Investing to deliver balanced, profitable growth



Questions



Appendix



Tony Edwards - Managing Director, Coated & Security Products

Tony Edwards joined Filtrona in 1996 as Finance Director of the Payne business upon its acquisition from Norcross plc. Before being appointed to his current role in 2002, Tony was Finance Director of the Filtrona business division within Bunzl plc. Tony is a Chartered Accountant having qualified with Price Waterhouse in 1988, after which he worked for Rio Tinto plc.

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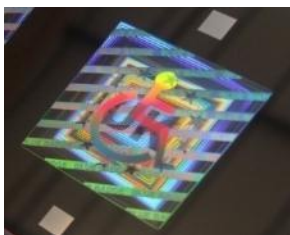
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