

Press Release

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FILTRONA INTERNATIONAL OPENS NEW FACTORY IN INDONESIA

A new, larger factory has been opened in Surabaya by P.T. Filtrona Indonesia. In order to meet the growing demand for its products in Asia, Filtrona Filter Products, part of Filtrona plc, the world's leading independent supplier of specialist filters to the tobacco industry, has relocated its Surabaya factory to larger premises.

The new 8000m² factory is almost double the size of the original facility, opened in 1987, reflecting the increased demand for Filtrona's products. With this increased size comes a massive increase in capacity with the new factory able to manufacture more than double the volume compared to the old factory's capacity.

The decision for the new factory to remain within Surabaya was based on a number of factors. Surabaya is Indonesia's second largest city, an industrial centre with excellent transport links and it is located close to many of the major cigarette manufacturers. Most importantly, due to the short distance between the old and new sites, Filtrona is able to retain all of the existing skilled and loyal workforce.

Once the new site had been identified, construction and renovation work began in August 2005 on the building that was to become the new factory. This renovation was an enormous undertaking as

only the frame of the existing building was to remain. New cabling, piping, lighting and drainage had to be installed to meet Filtrona's requirements. With Filtrona Indonesia being certified to ISO 9000, ISO 14000 and SA 8000 it was vital that the new factory be finished to an excellent standard so the company can continue to produce its high quality products and maintain a pleasant, comfortable environment for its workforce. The design of the new factory will actually improve the manufacturing process by minimising work in progress (base rods) and therefore help to develop the company's Just-In-Time work strategy.

Relocating to the new factory has also created new jobs in the area according to General Manager, Eko Suhartono: "In line with the growth in volume we will be increasing the size of our workforce, which will benefit the local community and economy. As well as taking on more staff there will also be a significant investment in new machinery. The new site already has 22 commissioned machines and has the potential to house 40 machines, compared to just 16 in the original factory. The whole team in Indonesia is really excited by the project."

The new factory was officially opened on 2nd January 2006 by Mr P.T. Sreekumar, Managing Director of Filtrona Filters. In his inauguration address he pointed to the impressive growth curve of Filtrona Indonesia and its success in accommodating a variety of products within a short time frame. He also praised the commitment to meet customers' expectations and the great role the staff have played in this success.

The factory serves the Indonesian domestic market and other export markets in the region. The capacity increase will enable Filtrona Indonesia to supply the increasing demand for activated carbon filters in the region.

Commenting on the relocation to the new premises and the recent successes of Filtrona Indonesia, Eko Suhartono said, "The great team work and the continuous improvement that we have shown in the past were extremely important and this is just the beginning. These factors are a sound foundation that we can build upon as we face even more challenging tasks in the future."

Editor's note:

Filtrona Filters is the world's leading independent supplier of innovative special filters for the tobacco industry. The company has been developing filters since filtered cigarettes first became popular in the 1950s and is highly focused on staying one step ahead of the market. As legislation becomes more stringent, and the industry demands filters that are able to ensure a precise level of tar and nicotine yield, so Filtrona Filters is ideally placed to provide the optimum solution.

With more than a dozen strategically-located manufacturing facilities around the globe, Filtrona Filter's unparalleled expertise, resources and breadth of vision enables it to deliver high quality, cost effective filter solutions to any customer, anywhere in the world.

To find out more about Filtrona Filters, its services and its highly innovative product line-up, visit the company's website at www.filtrona.com

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