

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☐ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information						
1a Name of plan FILTRONA POROUS TECHNOLOGIES CORP 401(K) PLAN FOR HRLY EES	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ►</td> <td><u>012</u></td> </tr> <tr> <td>1c Effective date of plan</td> <td><u>01/01/1996</u></td> </tr> </table>	1b Three-digit plan number (PN) ►	<u>012</u>	1c Effective date of plan	<u>01/01/1996</u>		
1b Three-digit plan number (PN) ►	<u>012</u>						
1c Effective date of plan	<u>01/01/1996</u>						
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) FILTRONA POROUS TECHNOLOGIES CORP 1625A ASHTON PARK DRIVE COLONIAL HEIGHTS, VA 23834	<table border="1"> <tr> <td>2b Employer Identification Number (EIN)</td> <td><u>27-3138356</u></td> </tr> <tr> <td>2c Sponsor's telephone number</td> <td><u>804-524-4983</u></td> </tr> <tr> <td>2d Business code (see instructions)</td> <td><u>326100</u></td> </tr> </table>	2b Employer Identification Number (EIN)	<u>27-3138356</u>	2c Sponsor's telephone number	<u>804-524-4983</u>	2d Business code (see instructions)	<u>326100</u>
2b Employer Identification Number (EIN)	<u>27-3138356</u>						
2c Sponsor's telephone number	<u>804-524-4983</u>						
2d Business code (see instructions)	<u>326100</u>						

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	<u>07/30/2012</u>	<u>CYNTHIA BEVETT</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	<u>07/30/2012</u>	<u>JOHN NASHETTE</u>
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") FILTRONA POROUS TECHNOLOGIES CORP 1625A ASHTON PARK DRIVE COLONIAL HEIGHTS, VA 23834	3b Administrator's EIN 27-3138356 3c Administrator's telephone number 804-524-4983
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name FILTRONA RICHMOND, INC.	4b EIN 54-0574583 4c PN 012	
5 Total number of participants at the beginning of the plan year	5	175
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	131
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	37
d Subtotal. Add lines 6a , 6b , and 6c	6d	168
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	168
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	157
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2G 2J 3D 2S 2T 2F 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **0** **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>FILTRONA POROUS TECHNOLOGIES CORP 401(K) PLAN FOR HRLY EES</u>	B Three-digit plan number (PN) ▶ <u>012</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FILTRONA POROUS TECHNOLOGIES CORP</u>	D Employer Identification Number (EIN) <u>27-3138356</u>

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

NEWPORT RETIREMENT SERVICES, INC.

62-1868111

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
12 15 50 60 64	NONE	1350	Yes ☒ No ☐	Yes ☐ No ☒	11059	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

MORGAN STANLEY SMITH BARNEY LLC

444 SOUTH FLOWER STREET
35TH FLOOR
LOS ANGELES, CA 90071

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
33 63	NONE	0	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
NEWPORT RETIREMENT SERVICES, INC.	15 60	11059
(d) Enter name and EIN (address) of source of indirect compensation WILMINGTON TRUST RET INST SRVS CO 51-0099033		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. REVENUE SHARING USED TO OFFSET PLAN EXPENSES		
(a) Enter service provider name as it appears on line 2 MORGAN STANLEY SMITH BARNEY LLC		
(b) Service Codes (see instructions) 33 63		
(c) Enter amount of indirect compensation 0		
(d) Enter name and EIN (address) of source of indirect compensation AMERICAN FUNDS 95-1411037		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. 20-24 BASIS POINTS OF FUND VALUE		
(a) Enter service provider name as it appears on line 2 MORGAN STANLEY SMITH BARNEY LLC		
(b) Service Codes (see instructions) 33 63		
(c) Enter amount of indirect compensation 0		
(d) Enter name and EIN (address) of source of indirect compensation OPPENHEIMERFUNDS INC 13-2527171		
(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. 25 BASIS POINTS OF FUND VALUE		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MORGAN STANLEY SMITH BARNEY LLC	33 63	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PIMCO 840 NEWPORT CENTER DR NEWPORT BEACH, CA 92660	25 BASIS POINTS OF FUND VALUE	
<hr/>		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MORGAN STANLEY SMITH BARNEY LLC	33 63	0
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
MET LIFE STABLE VALUE 200 PARK AVENUE NEW YORK, NY 10166	25 BASIS POINTS OF FUND VALUE	
<hr/>		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation		(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>FILTRONA POROUS TECHNOLOGIES CORP 401(K) PLAN FOR HRLY EES</u>	B Three-digit plan number (PN) ► <u>012</u>	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>FILTRONA POROUS TECHNOLOGIES CORP</u>	D Employer Identification Number (EIN) <u>27-3138356</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: METLIFE STABLE VALUE 25554

b Name of sponsor of entity listed in (a): WILMINGTON TRUST RET & INST SRVS CO

c EIN-PN <u>26-0142858-094</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>958314</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2011</div> This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>FILTRONA POROUS TECHNOLOGIES CORP 401(K) PLAN FOR HRLY EES</u>		B Three-digit plan number (PN) ► <u>012</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FILTRONA POROUS TECHNOLOGIES CORP</u>		D Employer Identification Number (EIN) <u>27-3138356</u>

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a	11324	10705
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts.....	1c(9)	914538	958314
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	3349899	3087522
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	4275761	4056541

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	4275761	4056541
---	-----------	---------	---------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)	282706	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		282706
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	62989	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		62989
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		28287
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-132468
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		241514

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	459384	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		459384
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	1350	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1350
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		460734

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-219220
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: KEITER, STEPHENS, HURST, GARY & SHREAV

(2) EIN: 54-1631262

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>FILTRONA POROUS TECHNOLOGIES CORP 401(K) PLAN FOR HRLY EES</u>	B Three-digit plan number (PN) ▶ <u>012</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FILTRONA POROUS TECHNOLOGIES CORP</u>	D Employer Identification Number (EIN) <u>27-3138356</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>27-1228437</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

FILTRONA POROUS TECHNOLOGIES CORP 401(K) PLAN FOR HOURLY EMPLOYEES

Financial Statements

December 31, 2011 and 2010

**FILTRONA POROUS TECHNOLOGIES CORP
401(K) PLAN FOR HOURLY EMPLOYEES**

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Plan Administrator of the
Filtrona Porous Technologies Corp 401(k) Plan for Hourly Employees
Colonial Heights, Virginia:

We were engaged to audit the financial statements and supplemental schedule of the Filtrona Porous Technologies Corp 401(k) Plan for Hourly Employees (the "Plan") as of December 31, 2011 and 2010 and for the years then ended, as listed in the accompanying table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Wilmington Trust Fiduciary Services Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the trustee as of December 31, 2011 and 2010 and for the years then ended, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



July 27, 2012
Glen Allen, Virginia

➤ **Certified Public
Accountants & Consultants**
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FILTRONA POROUS TECHNOLOGIES CORP
401(K) PLAN FOR HOURLY EMPLOYEES

Statements of Net Assets Available for Benefits
December 31, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Cash	\$ 10,705	\$ 11,324
Investments, at fair value	<u>4,096,681</u>	<u>4,292,047</u>
Net assets available for benefits, at fair value	4,107,386	4,303,371
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>(50,845)</u>	<u>(27,610)</u>
Net assets available for benefits	\$ <u>4,056,541</u>	\$ <u>4,275,761</u>

See accompanying notes to financial statements.

FILTRONA POROUS TECHNOLOGIES CORP
401(K) PLAN FOR HOURLY EMPLOYEES

Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Additions to net assets attributed to:		
Investment income:		
Interest and dividends	\$ 62,989	\$ 70,647
Net investment (loss) gain	<u>(104,181)</u>	<u>304,395</u>
Net investment (loss) income	<u>(41,192)</u>	<u>375,042</u>
Contributions:		
Participants	<u>282,706</u>	<u>304,406</u>
Total additions	<u>241,514</u>	<u>679,448</u>
Deductions from net assets attributed to:		
Benefits paid to participants or beneficiaries	459,384	152,607
Administrative expenses	<u>1,350</u>	<u>600</u>
Total deductions	<u>460,734</u>	<u>153,207</u>
Net (decrease) increase	(219,220)	526,241
Net assets available for benefits:		
Beginning of year	<u>4,275,761</u>	<u>3,749,520</u>
End of year	\$ <u>4,056,541</u>	\$ <u>4,275,761</u>

See accompanying notes to financial statements.

**FILTRONA POROUS TECHNOLOGIES CORP
401(K) PLAN FOR HOURLY EMPLOYEES**

Notes to Financial Statements

1. Description of Plan:

The following description of the Filtrona Porous Technologies Corp 401(k) Plan for Hourly Employees (the "Plan") provides only general information. Participants should refer to the Plan agreement or summary plan description for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan covering all eligible employees of Filtrona Richmond, Inc. and Payne Richmond, Inc. (the "Companies"). Hourly employees who are subject to the bargaining agreement between the Companies and members of certain unions, as defined by the Plan, were eligible to participate in the Plan after completing two months of service. Employees were eligible for entry to the Plan on the first day of the month coinciding with or next following the date they meet the eligibility requirements. Effective June 1, 2007 the Plan was closed to new entrants. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Effective January 1, 2011, the Plan previously named the Filtrona Richmond 401(k) Plan for Hourly Employees was renamed the Filtrona Porous Technologies Corp 401(k) Plan for Hourly Employees.

Contributions: The Plan provides for participant contributions of pre-tax annual compensation, as defined in the Plan. The Company does not contribute to the Plan. Participants of qualifying age may make additional "catch-up" contributions. Participants can direct their contributions to their accounts among many different investment options within the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Contributions are subject to certain limitations.

Participant Accounts: Each participant's account is credited with the participant's contributions and allocations of Plan earnings or losses, and charged with an allocation of administrative expenses. Allocations are based on participant compensation or account balances, as defined by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Investment Options: Participants may direct Wilmington Trust Fiduciary Services Company, the trustee, as to the investment of their account balances in accordance with guidelines established by the Plan. Participants may change their investment elections annually.

Vesting: Participants are immediately vested in their contributions, plus actual earnings thereon.

Plan Administration: Overall responsibility for administering the Plan rests with the Companies. Participant accounts are administered by The Newport Group, the third-party administrator of the Plan.

FILTRONA POROUS TECHNOLOGIES CORP
401(K) PLAN FOR HOURLY EMPLOYEES

Notes to Financial Statements, Continued

1. Description of Plan, Continued:

Payment of Benefits: Distribution of a participant's account will occur upon the participant's termination of service, retirement, death, disability, or hardship withdrawal, as defined in the Plan. A participant is entitled to receive a lump-sum payment in an amount equal to the value of his or her account.

2. Summary of Significant Accounting Policies:

Basis of Accounting: The financial statements of the Plan are prepared on the accrual method of accounting.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustments of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Investment Valuation and Income Recognition: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for further discussion of fair value measurements.

The assets underlying the MetLife Group Annuity Contract are primarily guaranteed investment contracts. These contracts are valued at fair value and adjusted to contract value. Contract value, as reported to the Plan by the trustee, represents contributions made under the contracts, plus interest at the contract rates, less Plan withdrawals and termination fees.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net investment gain (loss) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits: Benefits are recorded when paid.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

FILTRONA POROUS TECHNOLOGIES CORP
401(K) PLAN FOR HOURLY EMPLOYEES

Notes to Financial Statements, Continued

2. Summary of Significant Accounting Policies, Continued:

Subsequent Events: Management has evaluated subsequent events through July 27, 2012, the date the financial statements were available to be issued, and has determined that other than as described below, there are no subsequent events to be reported in the accompanying financial statements.

Effective January 1, 2012, the Plan was amended to allow all current employees hired prior to June 1, 2007 the opportunity to contribute, an employer match of 50% of the first 6% of contributions, and participants may take loans against their account, subject to certain restrictions.

Reclassifications: Certain prior year balances have been reclassified to conform with the current year presentation.

3. Fair Value Measurements:

The Financial Accounting Standards Board (FASB) has issued guidance for measurement and disclosure of fair value and establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 Quoted prices for similar instruments in active and inactive markets; and model driven valuations with significant inputs and drivers derived from observable active markets.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for investments carried or disclosed at fair value:

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Plan at year end.

Group annuity contract: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. As of December 31, 2011 and 2010 the group annuity contract has no unfunded commitments and can be redeemed immediately upon notice with no other redemption restrictions.

FILTRONA POROUS TECHNOLOGIES CORP
401(K) PLAN FOR HOURLY EMPLOYEES

Notes to Financial Statements, Continued

3. Fair Value Measurements, Continued:

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets measured at fair value as of the Plan's year end date:

Assets at Fair Value as of December 31, 2011			
	Level 1	Level 3	Total
Assets:			
Mutual Funds:			
Target date investments	\$ 169,328	\$ -	\$ 169,328
Bond funds	435,389	-	435,389
Balanced funds	338,306	-	338,306
Growth and income funds	532,595	-	532,595
Growth funds	1,611,904	-	1,611,904
Group annuity contract	-	1,009,159	1,009,159
Total assets at fair value	<u>\$ 3,087,522</u>	<u>\$ 1,009,159</u>	<u>\$ 4,096,681</u>

Assets at Fair Value as of December 31, 2010			
	Level 1	Level 3	Total
Assets:			
Mutual Funds:			
Target date investments	\$ 141,491	\$ -	\$ 141,491
Bond funds	454,799	-	454,799
Balanced funds	337,014	-	337,014
Growth and income funds	501,898	-	501,898
Growth funds	1,914,696	-	1,914,696
Group annuity contract	-	942,149	942,149
Total assets at fair value	<u>\$ 3,349,898</u>	<u>\$ 942,149</u>	<u>\$ 4,292,047</u>

FILTRONA POROUS TECHNOLOGIES CORP
401(K) PLAN FOR HOURLY EMPLOYEES

Notes to Financial Statements, Continued

3. Fair Value Measurements, Continued:

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2011 and 2010:

	<u>Level 3 Assets</u>
	<u>Group Annuity Contract</u>
Balance at January 1, 2010	\$ 754,698
Realized gain	266
Unrealized gain related to instruments still held at the reporting date	51,199
Purchases, sales, issuances and settlements, net	<u>135,986</u>
Balance at December 31, 2010	942,149
Realized gain	1,124
Unrealized gain related to instruments still held at the reporting date	50,138
Purchases	115,458
Sales	<u>(99,710)</u>
Balance at December 31, 2011	<u>\$ 1,009,159</u>

4. Investments:

Investments that represent 5% or more of the Plan's net assets at December 31 are as follows:

	<u>2011</u>	<u>2010</u>
PIMCO Total Return	\$ 310,051	\$ 347,535
MetLife Group Annuity Contract, at Contract Value	958,314	914,539
American Funds Washington Mutual	532,595	501,898
American Funds New Perspective	326,864	424,319
American Funds Growth Fund	605,070	650,656
American Funds EuroPacific Growth	461,961	612,085
American Funds American Balanced	338,306	337,014
Oppenheimer Main Street Opportunity	218,009	227,635

During 2011 and 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) (depreciated) appreciated in value as follows.

	<u>2011</u>	<u>2010</u>
Mutual funds	\$ (132,468)	\$ 252,930
Group annuity contract	<u>28,287</u>	<u>51,465</u>
Net investment (loss) gain	<u>\$ (104,181)</u>	<u>\$ 304,395</u>

FILTRONA POROUS TECHNOLOGIES CORP
401(K) PLAN FOR HOURLY EMPLOYEES

Notes to Financial Statements, Continued

5. Administrative Expenses:

Although not required by the Plan, a portion of the costs of the Plan administration are absorbed by the Company.

6. Financial Information Certified by the Trustee:

Wilmington Trust Fiduciary Services Company, the trustee of the Plan, has certified that the following information is complete and accurate:

- Investments, at fair value
- Net investment income
- Schedule of assets held at end of year
- Adjustment from fair value to contract value for fully benefit-responsive investment contracts

7. Tax Status:

The Internal Revenue Service has determined and informed the Company by letter dated March 31, 2008 that the Plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code. The Plan has been amended since receiving the determination letter; however, the Plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Management has evaluated the effects of accounting guidance related to uncertain income tax positions and concluded that the Plan had no significant financial statement exposure to uncertain income tax positions at December 31, 2011 and 2010.

8. Plan Termination:

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

9. Risks and Uncertainties:

The Plan provides for various investments in mutual funds and a group annuity contract. Investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the financial statements.

FILTRONA POROUS TECHNOLOGIES CORP
401(K) PLAN FOR HOURLY EMPLOYEES
EIN: 27-3138356 PLAN: 012

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2011

(a)	(b)	(c)	(e)
<u>Identity of issuer, borrower, lessor or similar party</u>	<u>Description of investment including maturity date, rate of interest, collateral, par or maturity value</u>	<u>Current Value</u>	
American Funds American Balanced	Mutual Fund	\$ 338,306	
American Funds EuroPacific Growth	Mutual Fund	461,961	
American Funds Growth Fund	Mutual Fund	605,070	
American Funds New Perspective	Mutual Fund	326,864	
American Funds US Government Securities	Mutual Fund	125,338	
American Funds Washington Mutual	Mutual Fund	532,595	
American Funds 2010 Target Date Retirement	Mutual Fund	6,698	
American Funds 2015 Target Date Retirement	Mutual Fund	11,874	
American Funds 2020 Target Date Retirement	Mutual Fund	31,570	
American Funds 2025 Target Date Retirement	Mutual Fund	476	
American Funds 2030 Target Date Retirement	Mutual Fund	36,699	
American Funds 2035 Target Date Retirement	Mutual Fund	56,202	
American Funds 2040 Target Date Retirement	Mutual Fund	19,739	
American Funds 2045 Target Date Retirement	Mutual Fund	6,070	
Oppenheimer Main Street Opportunity	Mutual Fund	218,009	
PIMCO Total Return	Mutual Fund	310,051	
MetLife Group Annuity Contract, at Contract Value	Group Annuity Contract	<u>958,314</u>	
		<u>\$ 4,045,836</u>	

(d) "Cost" is not required as all investments are participant directed.

* Indicates a party-in-interest to the Plan.

See report of independent accountants.

Schedule H, Line 4i
Schedule of Assets (Held At End of Year)

Name of Plan: FILTRONA RICHMOND 401(k) PLAN FOR HOURLY EMPLOYEES

▶

Employer Identification Number: ▶ 54-0574583
For plan year (beginning/ending): ▶ 01/01/2011 - 12/31/2011 Plan number: ▶ 012

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	MET LIFE STABLE VALUE	Common Collective Trust		958,314
	PIMCO TOTAL RETURN	Mutual Fund		310,051
	AMERICAN FUNDS US GOVT SEC A	Mutual Fund		125,338
	AMERICAN FUNDS AM BALANCED A	Mutual Fund		338,306
	AMERICAN FUNDS GROWTH FUND A	Mutual Fund		605,070
	AMERICAN FUNDS WASH MUTUAL A	Mutual Fund		532,594
	AMERICAN FUNDS NEW PRSPCTV A	Mutual Fund		326,864
	AMERICAN FUNDS EUROPACIFIC A	Mutual Fund		461,961
	OPPEN MAIN ST SMALL & MID-CAP	Mutual Fund		218,009
	AMERICAN 2010 TARGET RET	Mutual Fund		6,698
	AMERICAN 2015 TARGET RET	Mutual Fund		11,874
	AMERICAN 2020 TARGET RET	Mutual Fund		31,570
	AMERICAN 2025 TARGET RET	Mutual Fund		476
	AMERICAN 2030 TARGET RET	Mutual Fund		36,699
	AMERICAN 2035 TARGET RET.	Mutual Fund		56,202
	AMERICAN 2040 TARGET RET	Mutual Fund		19,739
	AMERICAN 2045 TARGET RET	Mutual Fund		6,070