

1 October 2010

POWERFLUTE PLC

NOTICE OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Powerflute Plc (the "Group" or "Powerflute"), the packaging group with positions in Nordic semi-chemical fluting and coated woodfree papers, announces that it has today posted a notice of Extraordinary General Meeting to its shareholders.

As set out in the Company's interim results for the six months ended 30 June 2010, the Board has identified a number of investment projects and development opportunities which offer the potential for attractive returns. The capital investment and working capital requirements associated with these projects are such that they cannot be entirely funded from the Company's or its subsidiaries' current financial resources or future cash flows. Accordingly, the Board is evaluating the alternatives available to the Company for obtaining the funds necessary to enable it to proceed in a timely manner with these projects and to reduce leverage and strengthen the Company's financial position. The Board is therefore seeking authorisation from shareholders to resolve on the issue of new shares to allow the Company the flexibility, if required, to raise funds for these strategic opportunities. Should the Board decide to exercise this authority, then further details will be provided by the Company.

In addition, the Directors are proposing an amendment to the Company's articles of association in order to provide the Board with the ability to waive the existing requirements to make an offer to purchase all of the other shares of the Company should any shareholder acquire either 30% or 50% of the Company's share capital, in line with the general principles of the EC Takeovers Directive. The Board would only provide such a waiver where it believes that to do so would be in the best interests of shareholders as a whole.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF POWERFLUTE PLC

To be held in Helsinki, Finland at 9.00 am on 22 October 2010

Notice is hereby given to the shareholders of Powerflute Plc ("Powerflute" or "the Company") of an Extraordinary General Meeting to be held on 22 October 2010 at 9.00 a.m. at the premises of Hannes Snellman Attorneys (Eteläranta 8, 1st floor, Helsinki, Finland). Reception of persons who have registered for the meeting and the distribution of voting tickets will commence at 8:30 a.m.

A. MATTERS ON THE AGENDA OF THE EXTRAORDINARY GENERAL MEETING

At the Extraordinary General Meeting, the following matters will be considered:

1. Opening of the meeting
2. Calling the meeting to order
3. Election of persons to scrutinise the minutes and to supervise the counting of votes
4. Recording the legality of the meeting
5. Recording the attendance at the meeting and adoption of the list of votes

6. Authorising the Board of Directors to resolve on the issuance of shares as well as issuance of options and other special rights

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The Board of Directors proposes a resolution is put to the Extraordinary General Meeting to authorise the Board of Directors to resolve on the issuance of up to 145,000,000 shares through a share issue or, subject to the limits set out below, through the granting of options or other special rights granting entitlement to shares pursuant to Chapter 10, Section 1 of the Finnish Companies Act. This authority may be utilised in one or several issues. The Board of Directors may resolve to give either new shares or shares in the Company's possession. The proposed number of shares corresponds to approximately 100 per cent of all shares and votes of the Company currently in issue.

It is proposed that the authority should include the right to deviate from shareholders' pre-emptive subscription rights and that the Board of Directors should be authorised to resolve on all material terms and conditions of a share issue, grant of options or other specific share entitlements. This shall include determination of the payment period, subscription price and method of allocation of shares, options or other specific rights of entitlement to shares. In particular, the Board of Directors may determine that shares, options or other specific rights of entitlement to shares may be granted at a discount to the prevailing market price, free of charge, or that the subscription price may be paid either partially or entirely in assets other than cash.

This authority to issue shares is intended to be used only for matters of material importance to the development of the Company and its group, such as financing or implementing business arrangements or investments or for other such important corporate purposes as may be determined by the Board of Directors acting in the best interests of shareholders.

The Board's authority to utilise new shares for the purposes of granting options or other specific rights of entitlement to shares under share-based incentives or other management incentive schemes shall be limited to the lower of 10 per cent of all shares in issue at the time that the incentive is granted, or 30,000,000 shares.

It is proposed that this authority should remain effective until 30 June 2011, unless revoked or amended before this date by a General Meeting of shareholders. This authorisation shall not replace previous authorities granted to the Board of Directors.

7. Proposal by the Board of Directors to amend the Articles of Association

The Board of Directors proposes a resolution is put to the Extraordinary General Meeting that Article 14 of the Company's Articles of Association, relating to the obligation to purchase shares in the Company, is amended by adding a new paragraph granting the Board of Directors full authority to grant exemptions from the obligation to make an offer when an offeror's holdings in terms of voting rights exceed, after the shares in the Company have been admitted to public trading on the AIM-market or other stock market, the limits of three tenths (3/10) or one half (1/2) of the voting rights in the Company. Thus, the Board of Directors proposes that the Article 14 be amended by adding the following new paragraph:

“Exemption from the obligation to make an Offer

The Board has full authority to grant upon written request of an Offeror an exemption, upon such terms and conditions as the Board shall decide in its discretion, from the obligation to make an Offer when an Offeror’s holdings in terms of voting rights exceed, after the shares in the Company have been admitted to public trading on the AIM-market or other stock market, the limits of three tenths (3/10) or one half (1/2) of the voting rights in the Company.”

8. Closing of the meeting

B. DOCUMENTS OF THE EXTRAORDINARY GENERAL MEETING

The proposals of the Board of Directors relating to the agenda of the Extraordinary General Meeting as well as this notice are available for inspection on the website of Powerflute Plc at www.powerflute.com.

Copies of the proposals of the Board of Directors will also be available at the meeting. Copies of these documents and of this notice are available and will be sent to shareholders upon request. The minutes of the meeting will be available on the Company’s website as from Friday, 5 November 2010.

C. INSTRUCTIONS FOR PARTICIPANTS IN THE EXTRAORDINARY GENERAL MEETING

1. The right to participate and registration

Each shareholder, who is registered on 12 October 2010 in the shareholders’ register of the company held by Euroclear Finland Ltd, has the right to participate in the Extraordinary General Meeting. A shareholder whose shares are registered on his/her personal Finnish book-entry account is registered in the shareholders’ register of the Company.

A shareholder who wants to participate in the Extraordinary General Meeting must register for the meeting no later than 19 October 2010 at 10:00 a.m. Finnish time by giving a prior notice of participation. Such notice can be given:

- a) by e-mail to tiina.silvast@powerflute.com;
- b) by telephone +358 10 6606 205 / Ms. Tiina Silvast;
- c) by telefax +358 10 6606 212; or
- d) by regular mail to Powerflute Plc, Tiina Silvast, P.O.Box 57, Sorsasalo, FI-70101 Kuopio, Finland.

In order to register for attendance at the Extraordinary General Meeting, a shareholder must provide details of his/her name, personal identification number, address, telephone number and the name of a possible assistant or proxy representative and the personal identification number of a proxy representative. Personal data provided to Powerflute Plc will be used only in connection with the Extraordinary General Meeting and with the processing of related registrations.

Pursuant to chapter 5, section 25 of the Finnish Companies Act, a shareholder who is present at the Extraordinary General Meeting has the right to request information with respect to the matters to be considered at the meeting.

2. Proxy representative and powers of attorney

A shareholder may participate in the Extraordinary General Meeting and exercise his/her rights at the meeting by way of proxy representation.

A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his/her right to represent the shareholder at the Extraordinary General Meeting. When a shareholder participates in the Extraordinary General Meeting by means of several proxy representatives representing the shareholder with shares at different securities accounts, the shares by which each proxy representative represents the shareholder shall be identified in connection with the registration for the Extraordinary General Meeting.

Proxy documents should be delivered in originals to Powerflute Plc, Tiina Silvast, P.O.Box 57, Sorsasalo, FI-70101 Kuopio, Finland before the last date for registration.

3. Holders of nominee registered shares and Depository Interests

A holder of nominee registered shares is advised to request without delay from his/her custodian bank necessary instructions regarding the registration in the shareholders' register of the Company, the issuing of proxy documents and registration for the Extraordinary General Meeting. The account management organisation of the custodian bank will register the holder of nominee registered shares, who wishes to participate in the Extraordinary General Meeting, to be temporarily entered into the shareholders' register of the Company at the latest on 19 October 2010 at 10:00 a.m. Finnish time.

Those holders of Depository Interests wishing to attend, or vote at, the Extraordinary General Meeting are advised to visit the Company's website at www.powerflute.com for further instructions.

4. Other instructions and information

On the date of this notice of the Extraordinary General Meeting, the total number of shares and votes in issue for Powerflute Plc is 144,818,174.

The Extraordinary General Meeting shall be conducted in Finnish and in English.

In Helsinki, 30 September 2010

POWERFLUTE PLC

The Board of Directors

- Ends-

Contacts

For additional information please contact:

Powerflute Plc

Dermot Smurfit (Chairman)

Marco Casiraghi (Chief Executive)

David Walton (Chief Financial Officer)

c/o Billy Clegg, Financial Dynamics

+44 (0)20 7269 7157

Collins Stewart Europe Ltd:

Piers Coombs

Stewart Wallace

+44 (0)20 7523 8350

E.Öhman J:or Fondkommission AB:

Ms Arja Väyrynen

+358 9 8866 6029

Financial Dynamics:

Billy Clegg

+44 (0)20 7831 3113

K Capital Source

Mark Kenny

Jonathan Neilan

+353 (1) 663 3686

About Powerflute

Powerflute Plc (“the Company” or “Powerflute”) is a packaging group with established positions in Nordic semi-chemical fluting and coated woodfree papers.

Through its subsidiary Savon Sellu Oy, the Group operates a paper mill in Kuopio, Finland which produces a specialised form of semi-chemical fluting made from birchwood sourced principally in Finland and Russia. Corrugated boxes manufactured using Nordic semi-chemical fluting demonstrate exceptional strength and moisture resistance and are extensively used for transportation of fruit and vegetables, high-value industrial goods such as electrical appliances and automotive components. The Kuopio mill has the capacity to produce up to 300,000 tonnes per annum and is one of three suppliers of Nordic semi-chemical fluting in Europe.

Through its recently acquired subsidiary Papierfabrik Scheufelen, the Group operates a paper mill in Lenningen, Germany which produces a range of coated woodfree papers from mixed hardwood and softwood pulps. Coated woodfree papers are used in the production of printed promotional material such as brochures, leaflets and other point of sale materials for producers and distributors of premium branded goods. The Lenningen mill has the capacity to produce up to 300,000 tonnes per annum and supplies the majority of its products into the European market where total demand has historically been in excess of 7.7 million tonnes per annum.