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20th October 2010

POWERFLUTE OYJ

(“Powerflute” or the “Company”)

PROSPECTUS OF POWERFLUTE OYJ PUBLISHED

Further to the announcement earlier today regarding the proposed Rights Issue and Placing to raise proceeds of approximately €19.9million, Powerflute announces that the Prospectus relating to the Rights Issue and Placing has been approved by the Finnish Financial Supervisory Authority. The Prospectus (and a Finnish language translation of the summary) is available to the public in Finland in electronic form on the Company's website at www.powerflute.fi and in printed form at the offices of the Company at Sorsasalo, FI-70101 Kuopio, Finland. Powerflute has also requested that the FFSA provides a certificate of approval and a copy of this Prospectus to the United Kingdom Listing Authority.

Helsinki, 20 October 2010

POWERFLUTE

Board of Directors

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About Powerflute

Powerflute Oyj ("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.

