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POWERFLUTE OYJ

(**"Powerflute"** or the **"Company"**)

ADMISSION OF SUBSCRIPTION RIGHTS

Further to the announcement on 22 October 2010 which stated that the Board of Directors of Powerflute had formally resolved to proceed with the Rights Issue and Placing announced on 20 October 2010, the Company is pleased to announce that it has made an application for 59,233,262 Subscription Rights to be admitted to trading on AIM (representing rights to subscribe for Depositary Interests by Qualifying DI Holders as at the Record Date) and it is expected that trading will commence in the Subscription Rights at 8.00 a.m. (London time) on 1 November 2010. It is further expected that trading will commence in Subscription Rights allocated to Qualifying Shareholders at 10.00 a.m. (Helsinki time) on 1 November 2010 on First North Finland.

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General

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About Powerflute

Powerflute Oyj 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 locally sourced birch. Corrugated boxes manufactured using Nordic semi-chemical fluting demonstrate strength and moisture resistance and are 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 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.