

27 May 2011

POWERFLUTE OYJ

AGM Statement

Powerflute Oyj ("Powerflute" or the "Group"), the paper and packaging group has released the following statement on current trading to be made by its Chairman Dermot Smurfit ahead of today's Annual General Meeting of shareholders to be held in Kuopio, Finland:

"I am pleased to be able to inform you that 2011 has started in a very positive manner for the Group.

On 4 May 2011, we completed the disposal of Graphic Papers for cash consideration of €32.5m, which represents a very significant return on investment achieved in a short period of time and was in line with our stated strategy of transforming underperforming assets and delivering value for shareholders. The disposal leaves the Group in a strong financial position and has been very well received by shareholders.

The favourable market conditions which contributed to the strong performance of Packaging Papers in the second half of 2010 have continued and we currently expect this business to continue to perform well in 2011. Furthermore, during the recent planned maintenance shutdown we successfully completed a number of investment projects using proceeds from the rights issue and placing which are expected to yield benefits during the second half.

The Group now has a strong balance sheet and continues to explore opportunities for growth through acquisition. Market conditions are forecast to remain broadly favourable for the remainder of the year and we continue to expect that 2011 will be a good year for the Group."

Ends

For further information, please contact:

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About Powerflute

PowerfluteOyj ("the Company" or "Powerflute") is a packaging group with established positions in Nordic semi-chemical fluting and coated woodfree papers. Powerflute is quoted on the AIM market of the London Stock Exchange (Ticker: POWR) and on the First North list, the alternative market of the OMX Nordic Exchange Stockholm AB (Ticker POW1V). 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.