

26 April 2012

POWERFLUTE

AGM Statement

Powerflute Oyj ("Powerflute" or the "Group"), the packaging and paper group, released the following statement on current trading ahead of today's Annual General Meeting of shareholders to be held in Kuopio, Finland. Powerflute is quoted on the AIM market of the London Stock Exchange (Ticker: POWR) and on NASDAQ OMX First North, the alternative market of the NASDAQ OMX Helsinki (Ticker POW1V).

Dermot Smurfit, Chairman of Powerflute said:

"Following a period of weakness during the second half of 2011, paper and packaging markets have exhibited signs of some recovery during the first quarter of 2012. Order inflow has improved, price erosion has been less than originally anticipated and we achieved delivery volumes that were slightly ahead of the same period of the prior year.

"Although market conditions are expected to remain challenging over the summer months, we are confident that Powerflute is well placed both financially and strategically to benefit from any improvement in trading conditions as the year progresses. The Group continues to have a strong balance sheet and considerable cash resources and we remain focused on our strategy of acquisitive growth in the paper and packaging sectors."

- Ends-

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About Powerflute

Powerflute Oyj ("the Company" or "Powerflute") is a paper and packaging group quoted on the AIM market of the London Stock Exchange (Ticker: POWR) and on NASDAQ OMX First North, the alternative market of NASDAQ OMX Helsinki (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 is one of only three suppliers of Nordic semi-chemical fluting in Europe.