

16 May 2012

POWERFLUTE
SHARE REPURCHASE PROGRAMME

Powerflute Oyj ("Powerflute" or the "Company"), the packaging and paper group, announces that further to the intention expressed in its preliminary results announcement made on 15 March 2012 and in accordance with the authority granted at the Annual General Meeting held on 26 April 2012, the directors have today initiated a share repurchase programme involving up to 28,000,000 of the Company's shares, representing 9.6% of the issued share capital.

Subject to market conditions, the programme will be undertaken by way of market purchases of the Company's own shares or depositary interests. The price paid for each share purchased on First North or each depositary interest purchased on the Alternative Investment Market of the London Stock Exchange ("AIM") shall be based upon the prevailing market price quoted on AIM.

In accordance with AIM market practice and guidance provided by the FSA Listing Rules, the maximum price which may be paid by the Company shall be no more than the higher of (i) an amount equal to 105% of the average market closing price (as derived from the London Stock Exchange Daily Official List) for the five dealing days immediately preceding such purchase; and (ii) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC) (No. 2273/2003) exclusive of expenses. Other than as stated in this announcement, there will no restriction on the volume of shares that may be purchased on a daily basis from either the First North or AIM markets and no limit on the allocation of such purchases to each market.

- Ends -

For further information, please contact:

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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.