

22 May 2012

POWERFLUTE

TRANSACTION IN OWN SHARES

Powerflute Oyj ("Powerflute" or the "Company"), the packaging and paper group, announces that in accordance with the authority granted by shareholders at the Annual General Meeting held on 26 April 2012, it purchased 945,720 of its own shares and depositary interests on 21 May 2012.

The Company purchased 500,000 depositary interests, each of which provides a beneficial interest in one ordinary share. The highest price paid was 25.2 pence per depositary interest and the lowest price paid was 25.2 pence per depositary interest.

The Company purchased 445,720 ordinary shares. The highest price paid was 31.0 euro cents per share and the lowest price paid was 31.0 euro cents per share.

Including shares and depositary interests which have been purchased but not yet settled, the Company holds 945,720 of its shares in Treasury, representing 0.3% of the total voting rights in the Company.

The number of shares in issue (excluding shares held in Treasury) is now 288,872,454. This number represents the total voting rights in the Company and may be used by shareholders as the denominator for calculations by which they can determine if there is any obligation under the Company's Articles of Association for them to notify their interest, or a change in their interest, in the Company.

This announcement does not constitute or form part of an offer or any solicitation of an offer to purchase or subscribe for securities in any jurisdiction and is in conformity with the Financial Services Authority's Disclosure and Transparency Rules.

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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.