

8 January 2009

POWERFLUTE OYJ

APPOINTMENT OF CHIEF FINANCIAL OFFICER

Powerflute Oyj (“Powerflute” or “the Group”) which operates paper mills in Kuopio, Finland and Lenningen, Germany is pleased to announce the appointment of David Andrew Walton, 43, as its Chief Financial Officer with immediate effect.

David brings considerable relevant experience to the Group. He has previously held senior operational and financial roles, including main board positions, in a number of international public companies and has worked in the UK, the US and Europe. Most recently, he was the Chief Executive of API Group plc, a manufacturer of packaging materials for premium branded goods, and a company which he initially joined as Finance Director in 2001. He is a Chartered Accountant and member of the ICAEW. Prior to commencing his industrial career, he spent seven years at Ernst & Young where he gained considerable experience of mergers, acquisitions and other transaction related activities.

Upon his departure from the API Group plc in February 2008, David began working with Powerflute on the evaluation of development opportunities and played an important role in the Group’s recent acquisition of Papierfabrik Scheufelen in Germany.

In accordance with the requirements of Finnish company law and the Group’s Articles of Association, it is the intention of the Board of Directors to propose David Walton’s appointment as a director of Powerflute at the next Annual General Meeting which is expected to take place in April 2009.

Commenting on the appointment Dermot Smurfit, Powerflute’s Chairman said:

“We are very pleased to be able to announce the appointment of David Walton as Chief Financial Officer of the recently enlarged Powerflute group of companies. David brings with him a wealth of relevant experience and we expect him to make a significant contribution to the future development of the Group.”

The additional information required under AIM Rule 26 in connection with the proposed appointment as a Director of Powerflute is as follows:

David Walton holds or has held the following directorships, and is or was a member of the following partnerships, during the past five years:

<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
Hamelin Limited	<p>A.S. Holdings (UK) Limited Advanced Coated Products Limited API Asia Limited API Foils Holdings Limited API Foils Limited API Group Plc API Group Services Limited API Holographics Limited API Laminates Limited API Overseas Holdings Limited API Stace Limited Arnold Belford Limited Associated Packaging Industries Limited Associated Paper Industries (Trustees) Limited Data-Label Limited Filmcast Extrusions Limited Flytrack Limited Label World Limited Learoyd Group Limited Leonard Stace Limited Morris Plastics Limited Netherwood Engineering Limited Peerless Foils Limited Tenza Sales Limited Tenza Technologies Limited United Foils International (Sales) Limited</p> <p>API Channel Islands API Foils Inc. API Foils Italia Srl API Foils Pty Ltd. API Foils New Zealand Ltd. API Foils SARL API Sales (Asia) Ltd. API-Swanson (Kunshan) Company Limited API (USA) Holdings Ltd. API Wing Fat Ltd. Chromagem Inc. Cybernetic Industrial Corporation Learoyd Packaging (USA) Inc. Shanghai Shenyong Stamping Foil Co. Ltd. Tenza Australia Pty Ltd. Tenzab Scandinaviska Forsaljnings AB</p>

API Channel Islands, Morris Plastics Limited and Flytrack Limited were liquidated by means of company voluntary arrangements during the time that Mr Walton was a director. The liquidations

were undertaken as part of a broader legal reorganisation of the API Group plc, the ultimate parent company and a company of which Mr Walton was also a director, which took place during the period 2001 to 2005. In each case, all liabilities were fully discharged.

There are no further disclosures required under paragraph (g), Schedule Two of the AIM Rules for Companies.

Ends

About Powerflute

Powerflute is a holding company and, through its wholly-owned subsidiaries operates paper mills in Finland and Germany with total production capacity of approximately 600,000 tonnes per annum. The mill in Finland manufactures a specialised high quality grade of semi-chem fluting called nordic semi-chem fluting which is made primarily from birch wood sourced from Finland and Russia. The mill in Germany manufactures coated wood free papers. In accordance with its strategy, the Company may in the future also acquire and manage complementary companies or assets related to paper and packaging or other forestry derivatives.

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