

19 November 2009

POWERFLUTE OYJ

APPOINTMENT OF CHIEF EXECUTIVE OFFICER

Powerflute Oyj ("Powerflute" or the "Company") which operates paper mills in Kuopio, Finland and Lenningen, Germany is pleased to announce that it has appointed Marco Casiraghi, 62, to be its Chief Executive Officer with effect from 1 January 2010.

Mr Casiraghi joins Powerflute from Coesia Group ("Coesia"), where he has been Chief Executive Officer for the last nine years. Coesia is a privately owned industrial group headquartered in Bologna, Italy and is involved in the design and manufacture of machinery for process automation, specialist engineering and packaging applications. Under Mr Casiraghi's leadership, Coesia developed into a highly profitable group with more than 3,800 employees and 30 operating units in 13 countries.

Prior to this, Mr Casiraghi spent six years with the Jefferson Smurfit Group plc, a leading European paper-based packaging group, as Chief Executive Officer of its Italian operations where he was responsible for 18 corrugated packaging businesses with more than 2,000 employees. He was also previously a Senior Vice President of United Technologies Carrier, the world's largest manufacturer of air-conditioning and heating systems.

Mr Casiraghi's appointment as a director of Powerflute will be proposed at the next Annual General Meeting which is expected to take place in April 2010. Under the provisions of Finnish company law and the Company's Articles of Association, a director may only be appointed by a majority of the shareholders voting at a general meeting.

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

"We are delighted to announce that Marco Casiraghi will be joining Powerflute as Chief Executive Officer. Marco has an established track record in the industry and a wealth of relevant experience. I am confident that he will effectively lead the Powerflute Group during these challenging times and as the economic recovery takes place. There are exciting opportunities ahead of us and Marco will be instrumental in the successful delivery of our organic and acquisitive growth strategy."

Under the terms of his employment by the Company, Mr Casiraghi will be eligible to participate in the newly created Powerflute Share Option Scheme ("the New PSOS") details of which will be announced later today. It is the Company's current intention to grant Mr Casiraghi an option over 3,000,000 shares with a subscription price of €0.33 (33 eurocents) under the terms of the New PSOS. In addition, Mr Casiraghi will be provided with a special share-based incentive comprising a nil-cost option over a further 2,000,000 shares whose vesting is subject only to him continuing to be employed by the Company on the third anniversary of the award.

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

Marco Casiraghi is a director or partner of the following:

ACMA (to resign on 1 January 2010) CIMA (to resign on 1 January 2010) CJSC G.D. Automatic Packaging Machinery (to resign on 1 January 2010) COESIA COGEPRO
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COMESCA (to resign on 1 January 2010)
 ENGECO
 G.D. (to resign on 1 January 2010)
 G.D. Automatische Verpackungsmaschinen (to resign on 1 January 2010)
 G.D. China Automatic machinery (to resign on 1 January 2010)
 G.D. Industrie (to resign on 1 January 2010)
 G.D. Jidokikay (to resign on 1 January 2010)
 G.D. Machinery South East Asia (to resign on 1 January 2010)
 G.D.M. Engineering (to resign on 1 January 2010)
 GDM (to resign on 1 January 2010)
 HAPA (to resign on 1 January 2010)
 HAPA & LAETUS inc. (to resign on 1 January 2010)
 LAETUS France (to resign on 1 January 2010)
 LAETUS Italia (to resign on 1 January 2010)
 LAETUS Mexico (to resign on 1 January 2010)
 LTG Holdings GMBH & Co. KG
 MONACAIR
 PT G.D. Indonesia (to resign on 1 January 2010)
 SIRIUS Machinery (to resign on 1 January 2010)
 SMURFIT Monegasque Foundation (to resign on 1 January 2010)
 TO.CE.CO. International Trading Co. (to resign on 1 January 2010)
 VOLPAK (to resign on 1 January 2010)
 VOLPAK Techgen Packaging Machinery (to resign on 1 January 2010)

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

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About Powerflute

Powerflute Oyj (“the Company” or “Powerflute”) is a packaging group with established positions in Nordic semi-chemical fluting and coated woodfree papers.

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 birchwood sourced principally in Finland and Russia. Corrugated boxes manufactured using Nordic semi-chemical fluting demonstrate exceptional strength and moisture resistance and are extensively 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.

Through its recently acquired subsidiary Papierfabrik Scheufelen, the Group operates a paper mill in Lenningen, Germany which produces a range of coated woodfree papers from mixed hardwood and softwood pulps. Coated woodfree papers are used in the production of printed promotional material such as brochures, leaflets and other point of sale materials for producers and distributors of premium branded goods. The Lenningen mill has the capacity to produce up to 300,000 tonnes per annum and supplies the majority of its products into the European market where total demand has historically been in excess of 7.7 million tonnes per annum.