

December, 18th, 2008>>> **Powerflute takes over Papierfabrik Scheufelen**

Finnish company Powerflute is taking over Papierfabrik Scheufelen in Lenningen with effect from 1 January 2009. The investor will assume control of all business operations and a 500-strong workforce. All the conditions of the purchase agreement dated 3 October 2008 have been met.

Scheufelen – a company steeped in tradition and based in the Lenningen valley – filed for insolvency on 17 July 2008. Under the receivership of lawyer Dr. Jobst Wellensiek, it has been possible to keep the paper mill running at the same level, producing 290,000 tonnes of high-quality coated paper each year. The company was sold to Powerflute as soon as insolvency proceedings were initiated. The purchase agreement was subject to a number of conditions which have now been met in full. This means that business operations can be handed over as scheduled on 1 January 2009.

Powerflute is a joint-stock company listed on the London and Stockholm stock exchanges that manufactures high-quality corrugated board raw papers from birch pulp at the Savon Sellu mill in Finland. By taking over Papierfabrik Scheufelen, Powerflute is moving into the new area of high-quality coated premium papers. Scheufelen saw its business in this sector grow by more than 20 percent in 2008. Powerflute is looking to further expand the range of premium papers produced and will continue to run the company under the name Papierfabrik Scheufelen given its well-established brands in this segment.

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>>> The new management team will start work on 1 January 2009. Kim Jokipii will remain Chairman of the Board and Dr. Ulrich Scheufelen will become a member of Powerflute's Supervisory Board.

"We are delighted that in Powerflute we have found an investor that is keen to uphold the corporate philosophy and values of the paper mill with its rich tradition," underlines Dr. Jobst Wellensiek. "This has enabled us to achieve our aim of safeguarding the current location and saving 500 jobs," he adds.

The paper mill is regarded as having good prospects for the future. The business benefits from an innovative spirit, motivated employees and loyal customers, ensuring that it will continue to hold its own in difficult market conditions.

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