



INVITATION TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF POWERFLUTE OYJ

The shareholders of POWERFLUTE PLC are invited to the Annual General Meeting to be held on 15 April 2008 at the premises of Scandic Hotel Kuopio (Satamakatu 1, Kuopio) at 6.30 p.m. The registration of the participants begins at 6.00 p.m.

The shareholders have the opportunity to participate to a tour on the Savon Sellu mill before the meeting. A transportation from and to Scandic Hotel Kuopio will be organised so that any shareholder wishing to participate to the tour should be at the main entrance of Scandic Hotel Kuopio at 4.45 p.m. on 15 April 2008.

AGENDA

The following matters shall be handled in the meeting:

1 MATTERS TO BE HANDLED IN THE ANNUAL GENERAL MEETING ACCORDING TO ARTICLE 8 OF THE ARTICLES OF ASSOCIATION

DIVIDEND

The Board of Directors proposes to the Annual General Meeting that a final dividend of EUR 0.033 (GBP 2.56 p) per share is paid based on the adopted balance sheet for the financial period ended 31 December 2007.

The final dividend shall be paid to the shareholder who has registered his / her holdings in the Company's shareholders' register maintained by the Finnish Central Securities Depository Ltd. or to a holder of depositary interests registered with the Capita Registrar on the record date for dividend payment on 18 April 2008. The dividend shall be paid on or about 6 May 2008.

COMPOSITION AND COMPENSATION OF THE BOARD OF DIRECTORS

The nomination committee of the Board of Directors proposes to the Annual General Meeting that the present Members of the Board of Directors would be re-elected as Board Members. The remuneration committee of the Board proposes that the Chairman of the Board would receive a fee of EUR 100,000 and the Members of the Board would receive a fee of EUR 50,000 per term ending at the end of the following Annual General Meeting. In addition, the chairmen of the Board's committees would receive an additional compensation of EUR 10,000 per term.

2 PROPOSALS OF THE BOARD OF DIRECTORS CONCERNING THE AUTHORISATION BY THE ANNUAL GENERAL MEETING TO THE BOARD OF DIRECTORS TO PASS A RESOLUTION ALLOWING THE COMPANY TO REPURCHASE THE COMPANY'S OWN SHARES

The Board of Directors proposes to the Annual General Meeting that the Annual General Meeting would authorise the Board of Directors to resolve on the repurchase of the Company's own shares up to a maximum number of 8,800,000 shares of the Company, representing 10 per cent. of the issued share capital of the Company.

According to the proposal of the Board of Directors, these shares can be repurchased contrary to the Shareholders' preemptive right using funds in the unrestricted shareholders equity and shall be acquired through public trading on the Stock Exchanges where the Company's shares are quoted at the share price prevailing at the time of the acquisition.

The authorization to repurchase the Company's own shares shall be valid until 30 June 2009.

3 PROPOSAL OF THE BOARD OF DIRECTORS CONCERNING THE AUTHORISATION BY THE ANNUAL GENERAL MEETING TO THE BOARD OF DIRECTORS TO PASS A RESOLUTION ON THE ISSUE OF NEW SHARES AND /OR ASSIGNMENT OF TREASURY SHARES

The Board of Directors proposes that the Annual General Meeting authorise the Board of Directors pass a resolution authorising an issue of new shares and/or on the disposal of treasury shares of the Company up to the maximum number of 88,000,000 shares against payment.

It is proposed that the Board of Directors would be entitled to pass a resolution on all terms and conditions of said issue and/or disposal, including to whom and on what price the shares are issued and/or disposed. The authorisation would, therefore, also grant the possibility to resolve on a rights issue or to resolve on a share issue by deviating from the pre-emptive rights of the shareholders. The Board of Directors proposes that the authorisation shall be valid until 30 June 2009 and it revokes all previous authorisations given to the Board of Directors.

4 PROPOSAL OF THE BOARD OF DIRECTORS CONCERNING THE AUTHORISATION BY THE ANNUAL GENERAL MEETING TO THE BOARD OF DIRECTORS TO PASS A RESOLUTION ON THE PAYMENT OF AN INTERIM DIVIDEND

The Board of Directors proposes that the Annual General Meeting would authorise the Board of Directors to pass a resolution on the payment of an interim dividend up to the maximum amount of 1.681 cents (approx 1.28 pence) per share. Any decisions on the payment of the interim dividend would be made and such dividend, if any, would be paid during second half of 2008.

DOCUMENTS OF THE MEETING

Copies of the annual accounts and the review by the Board of Directors and the Auditor's report as well as the proposals of the Board of Directors to the Annual General Meeting shall be available for inspection by shareholders by 7 April 2008 at the premises of the Company at Sorsasalo, Kuopio and on the Company's website <http://www.powerflute.com/>.

RIGHT TO ATTEND TO THE MEETING

Shareholders who

- 1 on April 5, 2008 are registered as shareholder in the Company's shareholders' register maintained by the Finnish Central Securities Depository Ltd, and
- 2 have registered to attend to the Annual General Meeting at the latest by Thursday, April 10, 2008, at 4:00 p.m Finnish time.

have the right to attend and vote at the meeting.

Shareholders whose shares are registered in their account in the Finnish book-entry system are also registered in the Company's shareholders' register. Holders of depositary interests in the British CREST system have to contact Capita Registrars Ltd. in order to be temporarily recorded to the shareholders' register and to attend to the Annual General Meeting. For this purpose, the holders of depositary interests are requested to follow further instructions from Capita Registrars Ltd. Holders of shares held otherwise under the name of a nominee wishing to attend to the meeting shall contact their account manager and to further follow the instructions of the account manager.

Registration of attendance to the Annual General Meeting can be made either

- by telephone +358 10 6606 205 / Ms. Tiina Silvast,
- by fax +358 10 6606 212 or
- by mail to Powerflute Oyj, Tiina Silvast, P.O.Box 57, Sorsasalo FI-70101, Kuopio, Finland

Possible proxies are requested to be provided as originals to the Company to the address above at latest by the end of the registration period. Upon registering to the meeting, please also indicate whether you would participate to the tour at the Savon Sellu mill between 4.45 p.m. and 6.15 p.m.

LANGUAGE OF THE MEETING

The Annual General Meeting shall be held in Finnish and in English.

In Kuopio, March 17 2008

THE BOARD OF DIRECTORS