

PowerFilm, Inc.

Operational Update

27 October 2011, PowerFilm, Inc. (AIM: PFLM), ("PowerFilm" or the "Company"), the developer and manufacturer of thin flexible solar panels and the developer of roll to roll flexible electronics, today announces an operational update regarding the timing of the third-party certification of its building integrated products.

The Company currently expects third-party certification of its building integrated products in the first half of 2012. The independent test lab performing tests on the Company's panels has identified an issue with the epoxy mixture used in the junction box of one of the panels. Further analysis indicates that the issue was caused by a defect with the epoxy tube mixture. PowerFilm is addressing this issue, including tightening epoxy supply chain requirements. The issue was not with the Company's core solar technology.

This delay of the certification of its building integrated products is not expected to materially impact the Company's revenue for 2012 and 2013.

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A copy of this announcement will be available on the PowerFilm website at <http://www.powerfilmsolar.com>.