

PowerFilm, Inc.

Profitability Plan Implementation

26 March 2012, PowerFilm, Inc. (AIM: PFLM), ("PowerFilm" or the "Company"), the developer and manufacturer of thin flexible solar panels and developer of roll to roll flexible electronics, today announces that it has begun executing elements of its updated strategic operations plan announced on 19 March 2012 in its year end results announcement.

The Company's Management Committee has conducted a comprehensive review of 2012 plans and budgets to sharpen strategic priorities and to reduce costs. As a result, reductions are being made in payroll expense, costs in sales and marketing, consulting fees, R&D material usage, consolidation of IT, and supplies. As part of the process the service of 9 employees has been terminated.

In addition a focused effort is continuing to be made to expand and grow sales revenues.

The positive impact of these cost reductions is anticipated to be realized primarily in the second half of the year.

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