



Glaston Corporation Annual General Meeting President & CEO's review

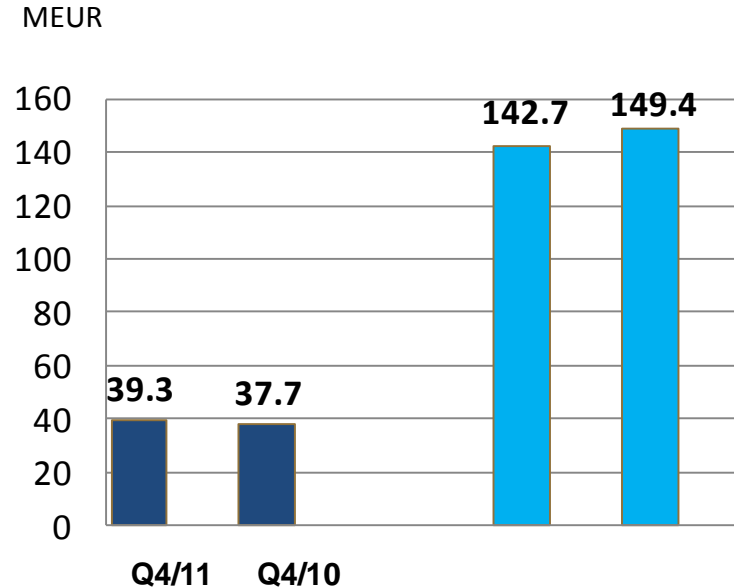
Arto Metsänen
27 March 2012

Operating environment 2011

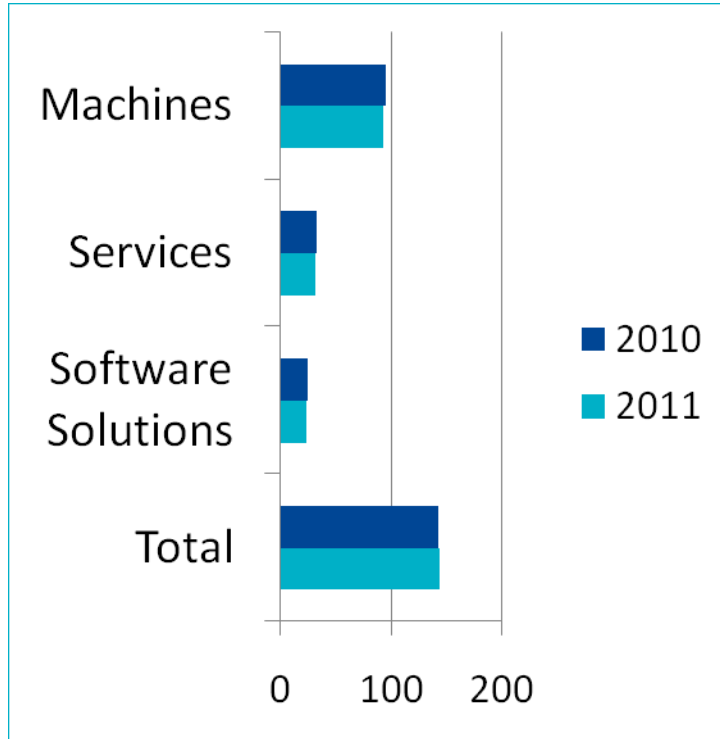
- In 2011 Glaston's operating environment and market situation remained challenging.
- Modest positive development of glass processing market early in 2011 slowed down in the second half of the year.
- The weakened economic outlook of the latter part of the year was reflected in customers' willingness to invest.
- Competition in markets continued to be tight.

Net sales on previous year's level

- Glaston's market situation was challenging in 2011 despite the positive development in some market areas.
- Net sales on same level as in 2011.
- In South America, the market developed positively throughout the year. In Asia, demand levelled off.
- In Western Europe and North America demand continued to be weak.

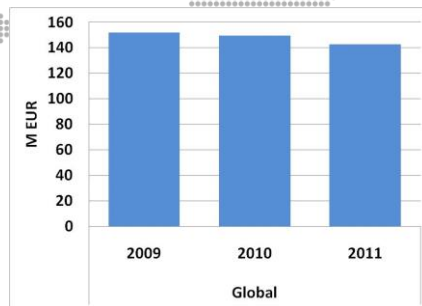
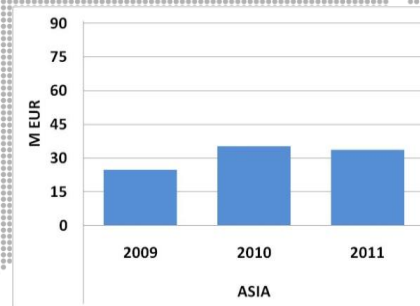
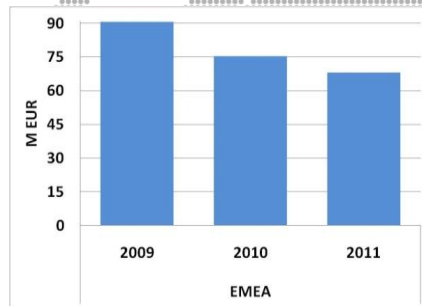
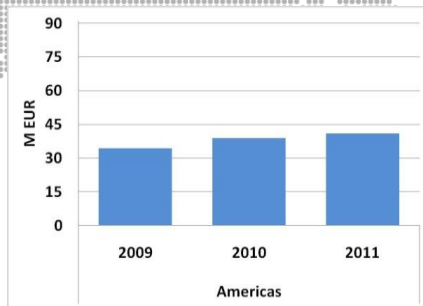


Net sales per segment



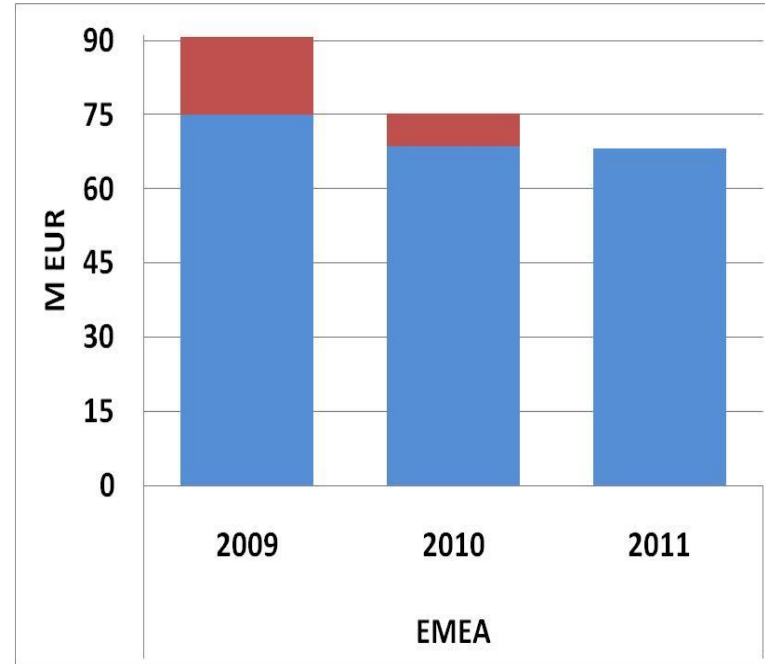
- The glass processing markets developed positively during the beginning of the year.
- The weakened economic outlook of the latter part of the year was reflected in customers' willingness to invest.
- This was reflected in the number of new orders, and especially in the Machines segment.

Net sales per region 2009-2011

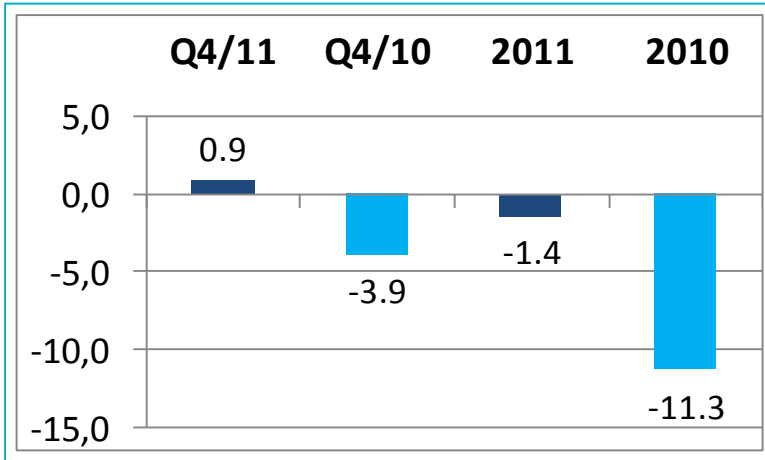


Major changes in EMEA

- EMEA has gone through many changes in 2009-2011.
- Streamlining of Glaston's sales organization -> agent and dealer network strengthened.
- Product portfolio has been optimized especially in pre-processing machines.
- 2009 figures include Tamglass Glass Processing.

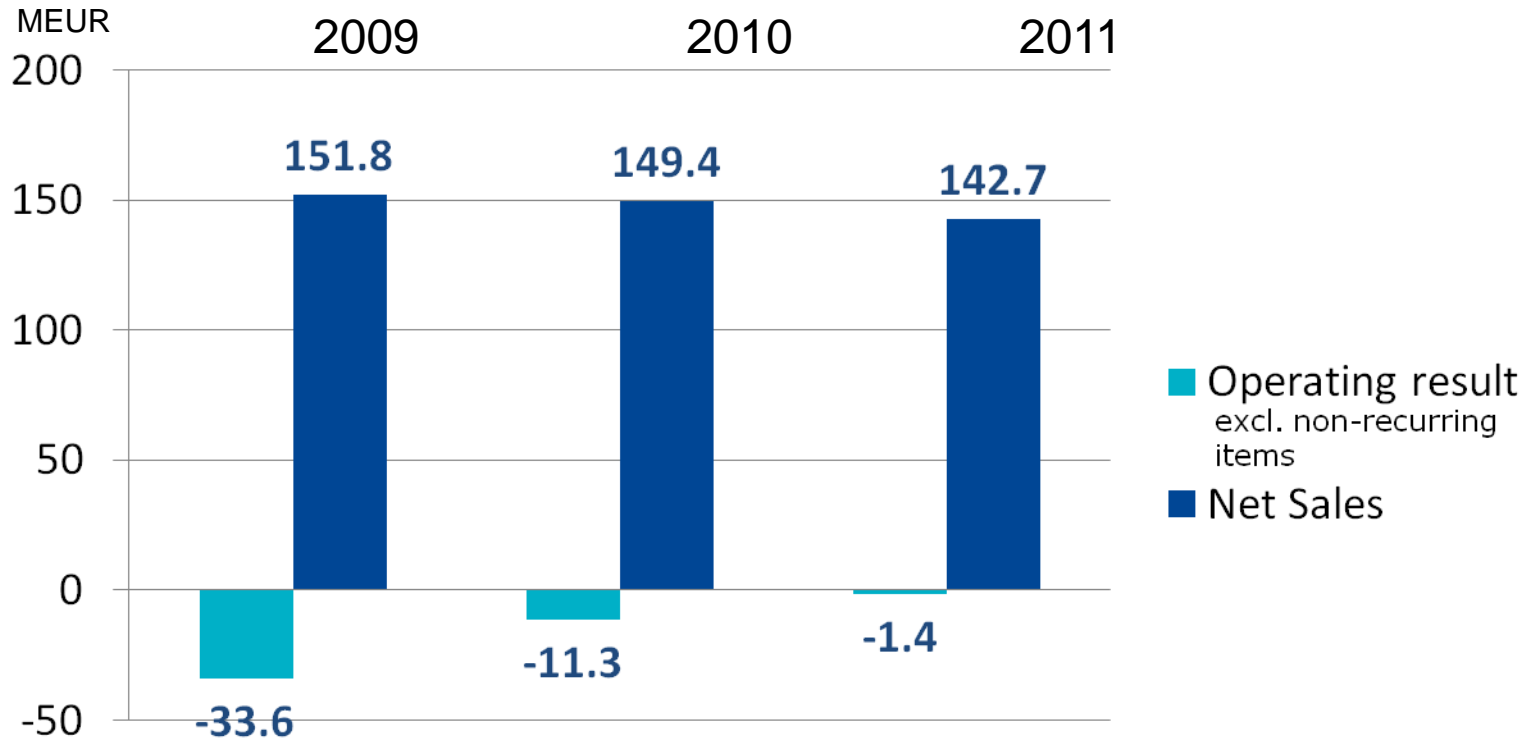


Operating result excluding non-recurring items

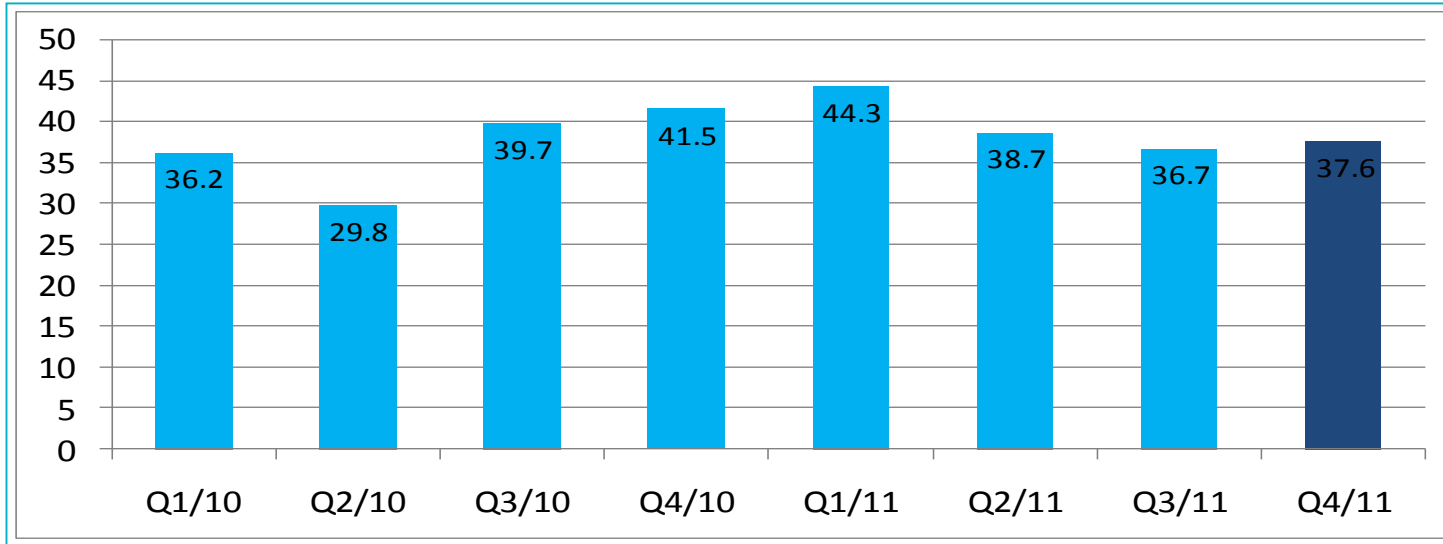


- Operating result was still a loss, but improved significantly from the previous year.
- All segments improved their result compared with last year.
- Biggest result improvement was in the Machines segment.

Significant improvment of operating result– no help from markets



Order book, EUR million



Strong focus on product development

- Despite the recession, strong investment in research and development has continued.
- In 2011, research and development spending totalled EUR 8.1 million, i.e. 5.7% of net sales.
- Several new products were launched during the year covering the whole lifecycle of glass processing.
 - A new series of Glaston Bavelloni Hiyon straight-line edgers and Xtraedge double-edgers.



Lifecycle services

- New webshop **GlastOnline™**
- Glaston Warranty5
- Tool**Ex** - a new tools service concept for diamond and polishing tools
- Glaston Albat+Wirsam Dragonfly software project and the new Barcoding Solution for medium-sized companies



Important deals during 2011



- **PressGlass, Poland**

Two FC500™ flat tempering furnaces for production of architectural glass and CHF 2000™ continuous flat tempering furnace for solar energy glass production. The deals total EUR 3,7 million.

- **Henan Ancai, China**

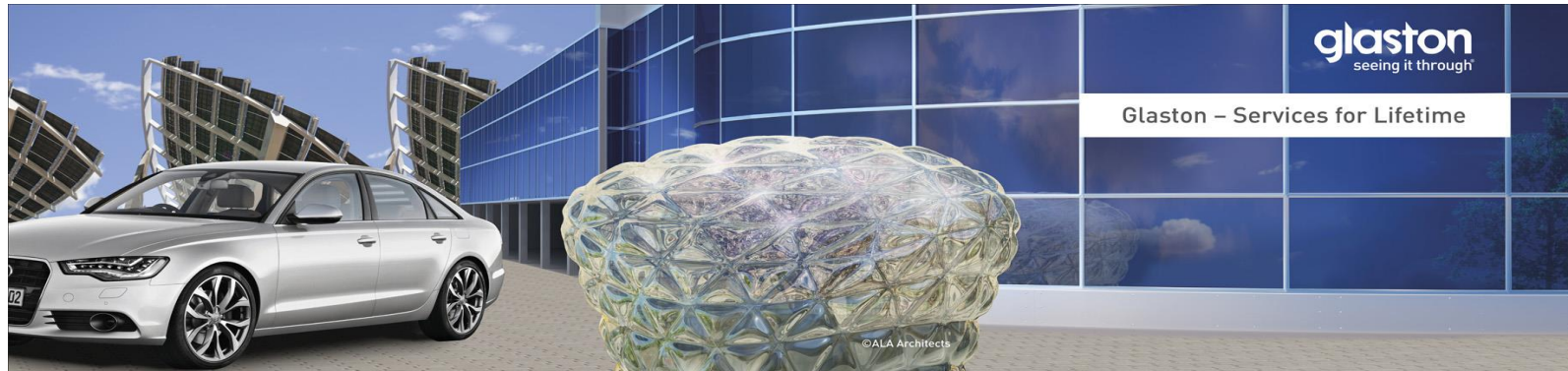
The first Beneq-Glaston TFC2000™ line to produce TCO coated glass for solar energy panels. The total order is approximately EUR 14 million of which Glaston's share is over EUR 4 million.

- **Murakami Manufacturing Co. Ltd., Thailand**

Seven special Glaston Bavelloni Pre-Processing lines (Prismalines). The machines will be used for the production of prismatic mirrors for vehicles. The order is worth approximately EUR 4 million.

Renewed strategy 2012-2014

- Focus areas
 - Account Management
 - Glaston Lifecycle Services
 - Global Footprint



Outlook

- Glaston's market will remain challenging in 2012. Economic uncertainty will continue to impact customers' investment decisions and will be reflected particularly in heat treatment machine orders.
- Asian market growth is expected to level off. In North America and EMEA area, markets will remain challenging. We believe that positive development of the South American market will continue.
- We will purposefully continue our investments in those areas that do not require substantial investments from our customers. These areas are maintenance services and tools. We expect the good development of the service market to continue in 2012.
- Glaston expects 2012 net sales to be at least at the 2011 level and the operating result to be profit.

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glaston
seeing it through