

## Glaston Interim Report 1 January – 31 March 2012

- Orders received in January-March totalled EUR 32.8 (38.1) million.
- The order book on 31 March 2012 was EUR 36.7 (44.3) million.
- Consolidated net sales in January-March totalled EUR 35.5 (34.2) million.
- EBITDA was EUR 1.1 (1.0) million, i.e. 3.0 (3.0)% of net sales.
- The operating result excluding non-recurring items was a loss of EUR 0.6 (0.9 loss) million, i.e. -1.6 (-2.6)% of net sales.
- The operating result in January-March was a loss of EUR 3.9 (0.9 loss) million, i.e. -11.0 (-2.6)% of net sales.
- Return on capital employed (ROCE) was -13.7 (-3.4)%.
- January-March earnings per share were EUR -0.05 (-0.09).

### President & CEO Arto Metsänen:

“Glaston’s overall market developed according to our expectations in the first quarter of the year. Due to our worldwide operations, fluctuations in different markets balanced each other out.

First-quarter net sales were EUR 35.5 million, representing 4% growth compared with the corresponding period in the previous year. The operating result excluding non-recurring items improved from the previous year and was a loss of EUR 0.6 million. Due to a lighter cost structure and a comprehensive, up-to-date product range, we have all the prerequisites for profitable growth.

In recent years, Glaston has implemented an extensive efficiency programme. The final stage of this involved the Software Solutions segment, where measures were launched in autumn 2011. These were to a large extent completed during the review period and were focused particularly on product development and the sales organisation. The sales organisation was streamlined and centralised. The strong investment in product development will continue during this year.”

### Glaston’s outlook for 2012 unchanged

Glaston expects that 2012 net sales will be at least at the 2011 level and that the operating result excluding non-recurring items will be positive.

### Markets

In the first quarter of the 2012, Glaston’s market developed according to expectations. In South America and in Asia, market growth levelled off as competition intensified. In North America, a gradual recovery of the market was perceptible. In the EMEA area, the market in Southern Europe remained subdued, while elsewhere demand was on a satisfactory level.

### Machines

During the first quarter, the Machines segment’s market in Asia and South America levelled off. At the end of the review period, cautious signs of a recovery of the market were perceptible in North America, and demand for pre-processing machines in particular developed positively. In the EMEA area, demand was on a satisfactory level.

The Machines segment’s investments in product development continued, and during the first quarter the Glaston Tamglass RC350™ and CCS1000™ flat tempering machines were launched onto the Asian market. The customer benefits of the RC350™ machines are high yield and capability in the tempering of all Low-E coatings as well as energy efficiency and ease-of-use. The CCS1000™ tempering line is a second-generation double-chamber tempering line, whose advantages are nearly double capacity and excellent end-product

quality. The CCS1000™ offers a number of technology upgrades for earlier double-chamber models, for example the Vortex™ convection heating system and the iControl™ control system as well as technology improvements in the preheating and cooling sections.

In the review period, a number of deals were concluded for Glaston Tamglass FC500™ machines. The product has been very well received on the market. Evidence of this is provided by one European customer, to whom a third Tamglass FC500™ machine within a year was sold in the first quarter of 2012. The Glaston Tamglass RC200™ machine, launched simultaneously with the FC500™, adds to the success of the new flat tempering machines. RC200™ machines have now been sold on every continent and the product has achieved a strong market position. Sales of the new Bavelloni ExtraEdge™ double edging machine grew in the review period and significant orders were received from Saudi Arabia and Italy. The worldwide launch of the Glaston Bavelloni Hyon™ edging machine was completed during the review period.

During the first quarter, a goodwill impairment loss of EUR 3.0 million was recognised as a non-recurring item in the Machines segment's Pre-processing operating segment.

The Machines segment's January-March net sales totalled EUR 21.9 (20.1) million and the operating result excluding non-recurring items was a loss of EUR 0.9 (1.9 loss) million.

### **Services**

In the first quarter of the year, the Services segment's market developed positively in North America, Europe and the Middle East. Customers were particularly interested in upgrade products equipped with advanced convection and control systems.

The Vortex Pro™ convection system, which improves production line capacity and glass quality, continued to be popular in the North American market. Glasswerks, one of North America's leading architectural glass manufacturers, decided to modernise four of its tempering furnaces with the Vortex Pro™ convection heating system.

Continuous product development is fundamental to the Services segment's operations. A number of upgrade products were brought to the market at the beginning of the year. The CCS™ pre-heating chamber upgrade product for high capacity, quality and energy efficient glass processing was launched at the China Glass Fair. The pre-heating chamber can be added to all Glaston Tamglass HTF Super™, ProE™ and GHF Convection™ tempering machine models. Glaston also presented at the fair a completely new method, HS Extension, for improving the quality of thick, heat-strengthened glass. The HS Extension upgrade is available for all Glaston Tamglass ProE™, CCS™ and GHF Convection™ tempering machine models.

In January-March, the Services segment's net sales totalled EUR 8.5 (8.3) million. The operating result excluding non-recurring items was a profit of EUR 1.7 (1.5) million.

### **Software Solutions**

The uncertain economic outlook in Europe was reflected in the Software Solutions segment's first-quarter operations as a weakening of customers' willingness to invest. Customers' demand was directed at production planning systems, technical software systems and optimisation systems. Sales of maintenance contracts developed according to expectations.

The extensive operational development programme initiated in autumn 2011 was completed at the beginning of the year. The measures were directed primarily at the sales organisation and product development. In Europe, the sales and service structure was streamlined and operations were concentrated on three countries: Germany, France and Sweden. In the early part of the year, maintenance achieved an even better performance level in the handling of

urgent customer cases.

In the review period, the segment increased its investment in the development of new products, software tools and software architecture.

The Software Solutions segment's January-March net sales totalled EUR 5.4 (6.0) million and the operating result excluding non-recurring items was a profit of EUR 0.2 (1.0) million.

#### **Orders received**

Glaston's orders received during the first quarter totalled EUR 32.8 (38.1) million. Of orders received, the Machines segment accounted for 63%, the Services segment 23% and the Software Solutions segment 14%.

#### **Order book**

Glaston's order book on 31 March 2012 was EUR 36.7 (44.3) million. Of the order book, the Machines segment accounted for EUR 34.2 million, the Services segment EUR 1.1 million and the Software Solutions segment EUR 1.5 million.

<b>Order book, EUR million</b>	31.3.2012	31.3.2011
<b>Machines</b>	34.2	40.2
<b>Services</b>	1.1	1.7
<b>Software Solutions</b>	1.5	2.5
<b>Total</b>	<b>36.7</b>	<b>44.3</b>

#### **Net sales and operating result**

Net sales for the review period totalled EUR 35.5 (34.2) million. The Machines segment's net sales in the first quarter were EUR 21.9 (20.1) million, the Services segment's net sales EUR 8.5 (8.3) million and the Software Solutions segment's net sales EUR 5.4 (6.0) million.

<b>Net sales, EUR million</b>	1-3/2012	1-3/2011	1-12/2011
Machines	21.9	20.1	90.0
Services	8.5	8.3	31.1
Software Solutions	5.4	6.0	23.1
Other and internal sales	-0.2	-0.2	-1.6
<b>Total</b>	<b>35.5</b>	<b>34.2</b>	<b>142.7</b>

The operating result excluding non-recurring items was a loss of EUR 0.6 (0.9 loss) million, i.e. -1.6 (-2.6)% of net sales. The Machines segment's operating result excluding non-recurring items was a loss of EUR 0.9 (1.9 loss) million. The Services segment's operating result excluding non-recurring items was a profit of EUR 1.7 (1.5) million, and the Software Solutions' operating result excluding non-recurring items was a profit of EUR 0.2 (1.0) million.

The January-March operating result was a loss of EUR 3.9 (0.9 loss) million. Non-recurring items totalling EUR 3.3 million were recognised in the first quarter and they consisted of the recognition of a EUR 3.0 million impairment loss in the Machines segment's Pre-processing operating segment as well as restructuring costs arising from the closure of offices.

Glaston's net financial expenses were EUR -1.5 (-6.3) million. The previous year's financial expenses were elevated by, among other things, expenses arising from the conversion of the convertible bond.

The result for the review period was a loss of EUR 5.3 (8.1 loss) million and earnings per share were EUR -0.05 (-0.09). The January-March return on capital employed (ROCE) was -13.7 (-3.4)%.

### **Adjustment measures**

In the review period, production capacity in Italy was adjusted to correspond with demand through temporary lay-offs of personnel.

An operational development programme initiated in the Software Solutions segment in autumn 2011 continued during the first quarter. A centralisation programme in the European sales and service organisation was completed and, in future, operations will be centralised at service locations in Germany, France and Sweden.

### **Financial position, cash flow and financing**

At the end of the first quarter, the consolidated asset total was EUR 177.7 (198.1) million. The equity attributable to owners of the parent was EUR 47.2 (57.8) million, i.e. EUR 0.45 (0.55) per share. The equity ratio on 31 March 2012 was 29.0 (32.0)%. Net gearing was 112.3 (94.7)%

Return on equity in January-March was -42.5 (-66.3)%.

Cash flow from operating activities, before the change in working capital, was EUR 1.4 (-5.7) million in the review period. The change in working capital was EUR -2.8 (1.0) million. Cash flow from investments was EUR -1.8 (-1.1) million. Cash flow from financing activities in January-March was EUR -2.3 (11.8) million.

The Group's loan agreements contain covenant terms and other commitments that are linked to consolidated key figures. The covenants in use are interest cover, net debt/EBITDA, cash and gross capital expenditure. During the review period, Glaston renegotiated some of the loan covenants with lenders.

### **Capital expenditure, depreciation and amortisation**

Glaston's gross capital expenditure totalled EUR 1.8 (1.2) million. In the review period, there were no significant individual investments; the biggest investments were capitalisations of product development expenditure.

In the first quarter, depreciation and amortisation on property, plant and equipment, and on intangible assets totalled EUR 2.0 (1.9) million. The 2012 impairment loss recognition, EUR 3.0 million, consists of an impairment loss on goodwill. In the comparison period, impairment losses on tangible and intangible assets totalled EUR 0.0 million.

### **Personnel**

On 31 March 2012, Glaston had a total of 844 (900) employees. Of the Group's employees, 18% worked in Finland and 40% elsewhere in the EMEA area, 27% in Asia and 16% in the Americas. In review period, the average number of employees was 858 (920).

### **Shares and share price**

Glaston Corporation's paid and registered share capital on 31 March 2012 was EUR 12.7 million and the number of issued and registered shares totalled 105,588,636. The company has one series of share. At the end of March, the company held 788,582 of the company's own shares (treasury shares), corresponding to 0.75% of the total number of issued and registered shares and votes. The counter book value of treasury shares is EUR 94,819.

Every share that the company does not hold itself entitles its owner to one vote at the Annual General Meeting. The share has no nominal value. The counter book value of each

registered share is EUR 0.12.

During the first quarter of the year, a total of around 6.0 million of the company's shares were traded, i.e. around 5.8% of the average number of shares. The lowest price paid for a share was EUR 0.44 and the highest price EUR 0.74. The volume weighted average price of shares traded during January-March was EUR 0.57. The closing price on 31 March 2012 was EUR 0.59.

On 31 March 2012, the market capitalisation of the company's shares, treasury shares excluded, was EUR 61.8 (98.1) million. The equity per share attributable to owners of the parent was EUR 0.45 (0.55).

The 2011 Annual General Meeting authorised the Board of Directors to decide on a share issue, including the right to issue new shares and/or convey treasury shares. The share issue authorisation covers a maximum of 20,000,000 shares and is valid until the end of the 2013 Annual General Meeting. The authorisation includes the right to decide on a share issue without payment. The Board of Directors also has the right to issue and/or convey shares in derogation of the pre-emptive subscription right of shareholders. At the end of the review period, the Board of Directors still had in respect of this authorisation the authority to issue 16,907,499 shares. The Board of Directors has no other authorisations.

#### **Decisions of the Annual General Meeting**

Glaston Corporation's Annual General Meeting was held in Helsinki on 27 March 2012. The Annual General Meeting adopted the financial statements and consolidated financial statements for the period 1 January – 31 December 2011. In accordance with the proposal of the Board of Directors, the Annual General Meeting resolved that no dividend be distributed for the financial year ending 31 December 2011.

The Annual General Meeting discharged the members of Board of Directors and the President & CEO from liability for the financial year 1 January – 31 December 2011.

The number of the members of the Board of Directors was resolved to be six. The Annual General Meeting decided to re-elect Claus von Bonsdorff, Teuvo Salminen, Christer Sumelius, Pekka Vauramo and Andreas Tallberg as members of the Board of Directors for the following term ending at the closing of the next Annual General Meeting, and to elect Anu Hämäläinen, M.Sc.(Econ.), as a new member of the Board of Directors.

The Annual General Meeting resolved that the annual remuneration payable to members of the Board of Directors shall remain unchanged. The Chairman of the Board shall be paid EUR 40,000, the Deputy Chairman EUR 30,000 and the other members of the Board EUR 20,000.

The Annual General Meeting elected as auditor Public Accountants Ernst & Young Oy, with Harri Pärssinen, APA, as the responsible auditor.

The Annual General Meeting resolved in accordance with the proposal of the Board of Directors to amend Articles 10 and 11 of the Articles of Association. Article 10 was amended so that General Meetings of Shareholders shall be held in the place where the company is domiciled or in Espoo. In addition, a mention was added to the article whereby the Chairman of the General Meeting shall have the right to determine the method of voting in the event of a matter being resolved by a vote at a General Meeting. Article 11 was amended so that the notice to a General Meeting of Shareholders shall be published on the company's website. In addition, the Board of Directors may decide on the publishing of the notice to a General Meeting in a newspaper.

### **Organising meeting of the Board of Directors**

At its organising meeting on 27 March 2012, Glaston's Board of Directors elected Andreas Tallberg to continue as the Chairman of the Board and Christer Sumelius to continue as the Deputy Chairman of the Board.

### **Events after the review period**

On 25 April 2012, Glaston published a stock exchange release on the recognition of a EUR 3.0 million impairment loss on goodwill in the Machines segment's Pre-processing operating segment. The impairment loss was recognised in the first quarter result as a non-recurring item. At the same time, the company revised its outlook with respect to the operating result, such that the operating result excluding non-recurring items is expected to be positive. Earlier Glaston forecasted that the operating result was expected to be positive.

### **Uncertainties and risks in the near future**

Slower economic growth may still lead to the postponement of orders and changes in machine delivery schedules. The uncertain market outlook will also affect customers' investment opportunities.

The underlying nature of the sector is expected to remain unchanged, so development in the coming years is expected to be positive. If the recovery of the sector is delayed or slows, this will have a negative effect on Glaston's result. The shift of the geographical focus of business activity to areas of higher economic growth will, however, dampen the economic effects of a possibly slower recovery in Western Europe and North America, despite a levelling off of the Asian and South American markets.

Due to market uncertainty, it is possible that Glaston's recoverable amounts will be insufficient to cover the carrying amounts of assets, particularly goodwill. If this happens, it will be necessary to recognise an impairment loss, which, when implemented, will weaken the result and equity.

### **Outlook**

Glaston's market will remain challenging in 2012. Economic uncertainty will continue to impact customers' investment decisions.

Growth in the Asian and South American markets is expected to level off. Cautious signs of recovery are evident in the North American market. In the EMEA area, the Southern European market will continue to be challenging, while a slight pick-up in demand is perceptible in Central, Northern and Eastern Europe.

The cornerstones of Glaston's operations remain the architectural glass segment and the solar energy market. The architectural segment creates the foundation for the company's future growth. In the longer term, prospects for the solar energy segment are good. The automotive industry also offers good growth opportunities.

We will purposefully continue our investment in those areas which do not require significant investments from our customers, namely maintenance services and tools. We expect the good development of the service market to be sustained in 2012.

Glaston expects that 2012 net sales will be at least at the 2011 level and that the operating result excluding non-recurring items will be positive.

Helsinki, 3 May 2012

Glaston Corporation  
Board of Directors

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Glaston Corporation  
 Arto Metsänen  
 President & CEO

Glaston Corporation  
 Glaston Corporation is an international glass technology company and a pioneer in glass processing technology. Its product range and service network are the widest in the industry. Glaston's notable brands are Bavelloni in pre-processing machines and tools, Tamglass and Uniglass in safety glass machines, and Albat+Wirsam in glass industry software. Glaston's share (GLA1V) is listed on the NASDAQ OMX Helsinki Small Cap List.

Distribution: NASDAQ OMX, key media, [www.glaston.net](http://www.glaston.net)

## GLASTON CORPORATION

### CONDENSED FINANCIAL STATEMENTS AND NOTES 1 JANUARY - 31 MARCH 2012

These interim financial statements are not audited. As a result of rounding differences, the figures presented in the tables may not add up to the total.

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	<u>31.3.2012</u>	<u>31.3.2011</u>	<u>31.12.2011</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	49.6	52.6	52.6
Other intangible assets	18.3	18.4	18.2
Property, plant and equipment	18.1	19.6	18.7
Investments in joint ventures and associates	0.0	0.0	0.1
Available-for-sale assets	0.3	0.3	0.3
Loan receivables	4.4	4.5	4.4
Deferred tax assets	6.9	8.2	6.9
<b>Total non-current assets</b>	<b>97.8</b>	<b>103.7</b>	<b>101.2</b>
<b>Current assets</b>			
Inventories	26.3	27.9	25.2
Receivables			
Trade and other receivables	39.9	45.2	40.8
Assets for current tax	0.8	0.6	1.3
Total receivables	40.7	45.8	42.1
Cash equivalents	13.0	20.7	18.6
<b>Total current assets</b>	<b>80.0</b>	<b>94.4</b>	<b>86.0</b>
<b>Total assets</b>	<b>177.7</b>	<b>198.1</b>	<b>187.2</b>

EUR million	<u>31.3.2012</u>	<u>31.3.2011</u>	<u>31.12.2011</u>
<b>Equity and liabilities</b>			

<b>Equity</b>			
Share capital	12.7	12.7	12.7
Share premium account	25.3	25.3	25.3
Other restricted equity reserves	0.0	0.0	0.0
Reserve for invested unrestricted equity	26.8	26.8	26.8
Treasury shares	-3.3	-3.3	-3.3
Fair value reserve	0.1	0.0	0.0
Other unrestricted equity reserves	0.1	-	-
Retained earnings and exchange differences	-9.0	4.3	5.7
Net result attributable to owners of the parent	-5.3	-8.1	-14.4
<b>Equity attributable to owners of the parent</b>	<b>47.2</b>	<b>57.8</b>	<b>52.8</b>
<b>Non-controlling interest</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
<b>Total equity</b>	<b>47.5</b>	<b>58.1</b>	<b>53.2</b>
<b>Non-current liabilities</b>			
Convertible bond	8.0	8.0	7.9
Non-current interest-bearing liabilities	36.1	45.9	37.7
Non-current interest-free liabilities and provisions	2.1	3.2	2.0
Deferred tax liabilities	3.2	4.3	3.6
<b>Total non-current liabilities</b>	<b>49.4</b>	<b>61.5</b>	<b>51.2</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	22.2	21.8	22.6
Current provisions	4.1	5.9	4.1
Trade and other payables	54.1	50.3	55.3
Liabilities for current tax	0.4	0.6	0.7
<b>Total current liabilities</b>	<b>80.8</b>	<b>78.6</b>	<b>82.8</b>
<b>Total liabilities</b>	<b>130.2</b>	<b>140.0</b>	<b>134.0</b>
<b>Total equity and liabilities</b>	<b>177.7</b>	<b>198.1</b>	<b>187.2</b>

#### CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	<u>1-3/2012</u>	<u>1-3/2011</u>	<u>1-12/2011</u>
<b>Net sales</b>	<b>35.5</b>	<b>34.2</b>	<b>142.7</b>
Other operating income	0.2	0.2	0.9
Expenses	-34.7	-33.4	-136.5
Share of associates and joint ventures' result	-	-	0.0
Depreciation, amortization and impairment	-5.0	-1.9	-8.1
<b>Operating result</b>	<b>-3.9</b>	<b>-0.9</b>	<b>-1.1</b>
Financial items, net	-1.5	-6.3	-10.8
<b>Result before income taxes</b>	<b>-5.4</b>	<b>-7.2</b>	<b>-11.8</b>
Income taxes	0.1	-0.9	-2.6
<b>Profit / loss for the period</b>	<b>-5.3</b>	<b>-8.1</b>	<b>-14.4</b>
<b>Attributable to:</b>			
Owners of the parent	-5.3	-8.1	-14.4
Non-controlling interest	0.0	0.0	0.0



<b>Total</b>	<b>-5.3</b>	<b>-8.1</b>	<b>-14.4</b>
<b>Earnings per share, EUR, basic</b>	<b>-0.05</b>	<b>-0.09</b>	<b>-0.14</b>
<b>Earnings per share, EUR, diluted</b>	<b>-0.05</b>	<b>-0.09</b>	<b>-0.14</b>
Operating result, as % of net sales	-11.0	-2.6	-0.8
Profit / loss for the period, as % of net sales	-15.0	-23.6	-10.1
Non-recurring items included in operating result	-3.3	-	0.3
Operating result, non-recurring items excluded	-0.6	-0.9	-1.4
Operating result, non-recurring items excluded, as % of net sales	-1.6	-2.6	-1.0

#### CONSOLIDATED STATEMENT OF COMPEREHENSIVE INCOME

	<u>1-3/2012</u>	<u>1-3/2011</u>	<u>1-12/2011</u>
<b>Profit / loss for the period</b>	<b>-5.3</b>	<b>-8.1</b>	<b>-14.4</b>
<b>Other comprehensive income</b>			
Total exchange differences on translating foreign operations	-0.3	-0.7	0.5
Fair value changes of available-for-sale assets	0.0	0.0	0.0
Income tax on other comprehensive income	0.0	0.0	0.0
<b>Other comprehensive income for the reporting period, net of tax</b>	<b>-0.3</b>	<b>-0.7</b>	<b>0.5</b>
<b>Total comprehensive income for the reporting period</b>	<b>-5.6</b>	<b>-8.8</b>	<b>-14.0</b>
<b>Attributable to:</b>			
Owners of the parent	-5.6	-8.7	-14.0
Non-controlling interest	0.0	0.0	0.0
<b>Total comprehensive income for the reporting period</b>	<b>-5.6</b>	<b>-8.8</b>	<b>-14.0</b>

#### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	<u>1-3/2012</u>	<u>1-3/2011</u>	<u>1-12/2011</u>
<b>Cash flows from operating activities</b>			
Cash flow before change in net working capital	1.4	-5.7	-7.7
Change in net working capital	-2.8	1.0	12.2
<b>Net cash flow from operating activities</b>	<b>-1.4</b>	<b>-4.7</b>	<b>4.4</b>
<b>Cash flow from investing activities</b>			
Business combinations	-	-	0.0
Other purchases of non-current assets	-1.8	-1.2	-5.7

Proceeds from sale of other non-current assets	0.0	0.1	0.2
<b>Net cash flow from investing activities</b>	<b>-1.8</b>	<b>-1.1</b>	<b>-5.5</b>
<b>Cash flow before financing</b>	<b>-3.1</b>	<b>-5.8</b>	<b>-1.1</b>
<b>Cash flow from financing activities</b>			
Share issue and conversion of convertible bond, net	-	5.5	5.8
Increase in non-current liabilities	-	47.8	47.9
Decrease in non-current liabilities	-1.5	-1.8	-3.4
Changes in loan receivables (increase - / decrease +)	0.0	0.0	0.1
Increase in short-term liabilities	2.1	15.2	34.9
Decrease in short-term liabilities	-2.9	-54.9	-81.5
Other financing	0.0	0.0	0.0
<b>Net cash flow from financing activities</b>	<b>-2.3</b>	<b>11.8</b>	<b>3.8</b>
<b>Effect of exchange rate changes</b>	<b>-0.2</b>	<b>-1.0</b>	<b>0.2</b>
<b>Net change in cash and cash equivalents</b>	<b>-5.6</b>	<b>5.0</b>	<b>2.9</b>
Cash and cash equivalents at the beginning of period	18.6	15.7	15.7
Cash and cash equivalents at the end of period	13.0	20.7	18.6
<b>Net change in cash and cash equivalents</b>	<b>-5.6</b>	<b>5.0</b>	<b>2.9</b>

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Share premium account	Other restr. equity reserves	Reserve for invested unrestrict. equity	Treasury shares	Fair value reserve
<b>Equity at 1 January, 2011</b>	<b>12.7</b>	<b>25.3</b>	<b>0.0</b>	<b>0.1</b>	<b>-3.3</b>	<b>0.0</b>
Total comprehensive income for the period	-	-	0.0	-	-	0.0
Share issue	-	-	-	5.9	-	-
Conversion of convertible bond	-	-	-	20.8	-	-
<b>Equity at 31 March, 2011</b>	<b>12.7</b>	<b>25.3</b>	<b>0.0</b>	<b>26.8</b>	<b>-3.3</b>	<b>0.0</b>

EUR million	Share capital	Share premium account	Other restr. equity reserves	Reserve for invested unrestrict. equity	Treasury shares	Fair value reserve
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<b>Equity at 1 January, 2012</b>	<b>12.7</b>	<b>25.3</b>	<b>0.0</b>	<b>26.8</b>	<b>-3.3</b>	<b>0.0</b>
Total comprehensive income for the period	-	-	0.0	-	-	0.0
Reclassification	-	-	0.0	-	-	-
<b>Equity at 31 March, 2012</b>	<b>12.7</b>	<b>25.3</b>	<b>0.0</b>	<b>26.8</b>	<b>-3.3</b>	<b>0.0</b>

EUR million	Retained earnings	Exchange diff.	Equity attrib. to owners of the parent	Non-contr. interest	Total equity
<b>Equity at 1 January, 2011</b>	<b>4.6</b>	<b>-0.3</b>	<b>39.1</b>	<b>0.3</b>	<b>39.5</b>
Total comprehensive income for the period	-8.1	-0.6	-8.7	0.0	-8.8
Share-based incentive plan	0.1	-	0.1	-	0.1
Share-based incentive plan, tax effect	0.0	-	0.0	-	0.0
Share issue	-	-	5.9	-	5.9
Conversion of convertible bond	-2.8	-	18.0	-	18.0
Cost effect of the share price compensation related to convertible bond conversion	3.4	-	3.4	-	3.4
<b>Equity at 31 March, 2011</b>	<b>-2.8</b>	<b>-0.9</b>	<b>57.8</b>	<b>0.3</b>	<b>58.1</b>

EUR million	Other unrestr. equity reserves	Retained earnings	Exchange diff.	Equity attrib. to owners of the parent	Non-contr. interest	Total equity
<b>Equity at 1 January, 2012</b>	<b>-</b>	<b>-8.4</b>	<b>-0.3</b>	<b>52.8</b>	<b>0.3</b>	<b>53.2</b>
Total comprehensive income for the period	-	-5.3	-0.3	-5.6	0.0	-5.6
Reclassification	0.1	-0.1	-	0.0	-	0.0
Share-based incentive plan	-	0.0	-	0.0	-	0.0
Share-based incentive plan, tax effect	-	0.0	-	0.0	-	0.0
<b>Equity at 31 March, 2012</b>	<b>0.1</b>	<b>-13.8</b>	<b>-0.6</b>	<b>47.2</b>	<b>0.3</b>	<b>47.5</b>

## KEY RATIOS

	<u>31.3.2012</u>	<u>31.3.2011</u>	<u>31.12.2011</u>
EBITDA, as % of net sales <sup>(1)</sup>	3.0	3.0	4.9
Operating result (EBIT), as % of net sales	-11.0	-2.6	-0.8
Profit / loss for the period, as % of net sales	-15.0	-23.6	-10.1
Gross capital expenditure, EUR million	1.8	1.2	5.7
Gross capital expenditure, as % of net sales	5.0	3.5	4.0
Equity ratio, %	29.0	32.0	31.1
Gearing, %	139.5	130.3	128.5
Net gearing, %	112.3	94.7	93.5
Net interest-bearing debt, EUR million	53.4	55.0	49.7
Capital employed, end of period, EUR million	113.8	133.8	121.4
Return on equity, %	-42.5	-66.3	-31.2
Return on capital employed, %	-13.7	-3.4	0.3
Number of personnel, average	858	920	899
Number of personnel, end of period	844	900	870

<sup>(1)</sup> EBITDA = Operating result + depreciation, amortization and impairment.

## PER SHARE DATA

	<u>31.3.2012</u>	<u>31.3.2011</u>	<u>31.12.2011</u>
Number of registered shares, end of period, treasury shares excluded (1,000)	104,800	97,092	104,800
Number of shares issued, end of period, adjusted with share issue, treasury shares excluded (1,000)	104,800	104,800	104,800
Number of shares, average, adjusted with share issue, treasury shares excluded (1,000)	104,800	88,681	100,826
Number of shares, dilution effect of the convertible bond taken into account, average, adjusted with share issue, treasury shares excluded (1,000) <sup>(1)</sup>	111,531	107,503	110,538
EPS, basic, adjusted with share issue, EUR	-0.05	-0.09	-0.14
EPS, diluted, adjusted with share issue, EUR	-0.05	-0.09	-0.14
Adjusted equity attributable to owners of the parent per share, EUR	0.45	0.55	0.50
Price per adjusted earnings per share (P/E) ratio	-11.6	-11.1	-3.1
Price per adjusted equity attributable to owners of the parent per share	1.31	1.83	0.89
Market capitalization of registered shares, EUR million	61.8	98.1	47.2
Share turnover, % (number of shares traded, % of the average registered	5.8	2.5	8.5

number of shares)

Number of shares traded, (1,000)	6,024	2,067	8,447
Closing price of the share, EUR	0.59	1.01	0.45
Highest quoted price, EUR	0.74	1.27	1.27
Lowest quoted price, EUR	0.44	0.87	0.40
Volume-weighted average quoted price, EUR	0.57	1.05	0.84

## DEFINITIONS OF KEY RATIOS

### Financial ratios

EBITDA = Profit / loss before depreciation, amortization and impairment, share of joint ventures' and associates' results included

Operating result (EBIT) = Profit / loss after depreciation, amortization and impairment, share of joint ventures' and associates' results included

Operating result (EBIT) excluding non-recurring items = Profit / loss after depreciation, amortization and impairment, share of joint ventures' and associates' results included, non-recurring items excluded

Cash and cash equivalents = Cash + other financial assets

Net interest-bearing debt = Interest-bearing liabilities - cash and cash equivalents

Financial expenses = Interest expenses of financial liabilities + fees of financing arrangements + foreign currency differences of financial liabilities

Equity ratio, % = Equity (Equity attributable to owners of the parent + non-controlling interest) x 100 / Total assets - advance payments received

Gearing, % = Interest-bearing liabilities x 100 / Equity (Equity attributable to owners of the parent + non-controlling interest)

Net gearing, % = Net interest-bearing debt x 100 / Equity (Equity attributable to owners of the parent + non-controlling interest)

Return on investments, % (ROCE) = Profit / loss before taxes + financial expenses x 100 / Equity + interest-bearing liabilities (average of 1 January and end of the reporting period)

Return on equity, % (ROE) = Profit / loss for the reporting period x 100 / Equity (Equity attributable to owners of the parent + non-controlling interest) (average of 1 January and end of the reporting period)

Non-recurring items = mainly items arising from restructuring and structural changes. They can include expenses arising from personnel reduction, product portfolio rationalization, changes in production

structure and from reduction of offices. Impairment loss of goodwill is also included in non-recurring items. Non-recurring items are recognized in profit or loss in the income or expense category where they belong by their nature and they are included in operating result. In its key ratios Glaston presents also operating result excluding non-recurring items. If a non-recurring expense is reversed for example due to changes in circumstances, the reversal is also included in non-recurring items. In addition, exceptionally large gains or losses from disposals of property, plant and equipment and intangible assets as well as capital gains or losses arising from group restructuring are included in non-recurring items.

#### **Per share data**

Earnings per share (EPS) = Net result attributable to owners of the parent / Adjusted average number of shares

Diluted earnings per share = Net result attributable to owners of the parent adjusted with the result effect of the convertible bond / Adjusted average number of shares, dilution effect of the convertible bond taken into account

Dividend per share = Dividends paid / Adjusted number of issued shares at end of the period

Dividend payout ratio = Dividend per share x 100 / Earnings per share

Dividend yield = Dividend per share x 100 / Share price at end of the period

Equity attributable to owners of the parent per share = Equity attributable to owners of the parent at end of the period / Adjusted number of shares at end of the period

Average trading price = Shares traded (EUR) / Shares traded (volume)

Price per earnings per share (P/E) = Share price at end of the period / Earnings per share (EPS)

Price per equity attributable to owners of the parent per share = Share price at end of the period / Equity attributable to owners of the parent per share

Share turnover = The proportion of number of shares traded during the period to weighted average number of shares

Market capitalization = Number of shares at end of the period x share price at end of the period

Number of shares at period end = Number of issued shares - treasury shares

#### **ACCOUNTING PRINCIPLES**

The consolidated interim financial statements of Glaston Group are prepared in accordance with International Financial Reporting Standard

IAS 34 Interim Financial Reporting as approved by the European Union. They do not include all of the information required for full annual financial statements.

The accounting principles applied in these interim financial statements are the same as those applied by Glaston in its consolidated financial statements as at and for the year ended 31 December, 2011, with the exception of the following new or revised or amended standards and interpretations which have been applied from 1 January, 2012:

- Amendment to IFRS 7 Financial Instruments: Disclosures - Transfers of Financial Assets

The amendment is applied for annual periods beginning on or after 1 July, 2011. The amendment increased the disclosure requirements of transfers and derecognition of financial assets. The amendment does not have material effect on Glaston's consolidated financial statements but it increases the disclosure information in the consolidated financial statements.

Other new or amended standards or interpretations applicable from 1 January, 2012 are not material for Glaston Group.

## **SEGMENT INFORMATION**

The reportable segments of Glaston are Machines, Services and Software Solutions. The reportable segments apply Glaston Group's accounting and measurement principles. Glaston follows the same commercial terms in transactions between segments as with third parties.

The reportable segments consist of operating segments, which have been aggregated in accordance with the criteria of IFRS 8.12. Operating segments have been aggregated, when the nature of the products and services is similar, the nature of the production process is similar, as well as the type or class of customers. Also the methods to distribute products or to provide services are similar.

The reportable Machines segment consists of Glaston's operating segments manufacturing glass processing machines and related tools. The Machines segment includes manufacturing and sale of glass tempering, bending and laminating machines sold under Tamglass and Uniglass brands, glass pre-processing machines sold under the Bavelloni brand as well as manufacturing and sale of tools.

Services segment includes maintenance and service of glass processing machines, machine upgrades and sale of spare parts.

Software Solutions segment's product offering, sold under the Albat+Wirsam brand, covers enterprise resource planning systems for the glass industry, software for window and door glass manufacturers, and software for glass processor's integrated line solutions.

The unallocated operating result consists of head office operations of the Group and unallocated share of joint venture's result.

The non-recurring items of 2012 include goodwill impairment loss and restructuring costs resulting from closure of offices.

The non-recurring items of 2011 consist of reversals of the provisions made in prior years.

Segment assets include external trade receivables and inventory, and segment liabilities include external trade payables and advance payments received. In addition, segment assets and liabilities include business related prepayments and accruals as well as other business related receivables and liabilities. Segment assets and liabilities do not include loan receivables, prepayments and receivables related to financial items, interest-bearing liabilities, accruals and liabilities related to financial items, income and deferred tax assets and liabilities nor cash and cash equivalents.

### Machines

EUR million	1-3/2012	1-3/2011	1-12/2011
External sales	21.9	20.1	89.8
Intersegment sales	0.0	0.0	0.2
<b>Net sales</b>	<b>21.9</b>	<b>20.1</b>	<b>90.0</b>
<b>EBIT excluding non-recurring items</b>	<b>-0.9</b>	<b>-1.9</b>	<b>-1.9</b>
EBIT-%, excl. non-recurring items	-4.1	-9.2	-2.1
Non-recurring items	-3.0	-	0.2
<b>EBIT</b>	<b>-3.9</b>	<b>-1.9</b>	<b>-1.7</b>
EBIT-%	-17.7	-9.2	-1.9
Net working capital	46.8	54.9	47.9
Number of personnel, average	525	556	557
Number of personnel, end of period	513	550	541

### Services

EUR million	1-3/2012	1-3/2011	1-12/2011
External sales	8.3	8.1	29.9
Intersegment sales	0.2	0.2	1.2
<b>Net sales</b>	<b>8.5</b>	<b>8.3</b>	<b>31.1</b>
<b>EBIT excluding non-recurring items</b>	<b>1.7</b>	<b>1.5</b>	<b>5.6</b>
EBIT-%, excl. non-recurring items	20.5	18.4	17.9
Non-recurring items	-	-	0.1
<b>EBIT</b>	<b>1.7</b>	<b>1.5</b>	<b>5.7</b>
EBIT-%	20.5	18.4	18.4
Net working capital	22.2	22.3	21.9
Number of personnel, average	123	145	127
Number of personnel, end of period	125	139	117

### Software Solutions

EUR million	1-3/2012	1-3/2011	1-12/2011
External sales	5.4	6.0	23.0
Intersegment sales	0.0	0.0	0.1
<b>Net sales</b>	<b>5.4</b>	<b>6.0</b>	<b>23.1</b>
Share of associates' and joint ventures' results	-	-	0.0



<b>EBIT excluding non-recurring items</b>	<b>0.2</b>	<b>1.0</b>	<b>1.7</b>
EBIT-%, excl. non-recurring items	3.3	16.4	7.5
Non-recurring items	-0.3	-	0.0
<b>EBIT</b>	<b>-0.2</b>	<b>1.0</b>	<b>1.8</b>
EBIT-%	-3.1	16.4	7.7
Net working capital	20.8	20.7	20.4
Number of personnel, average	198	204	202
Number of personnel, end of period	194	198	200

## Glaston Group

EUR million

<b>Net sales</b>	<b>1-3/2012</b>	<b>1-3/2011</b>	<b>1-12/2011</b>
Machines	21.9	20.1	90.0
Services	8.5	8.3	31.1
Software Solutions	5.4	6.0	23.1
Other and intersegment sales	-0.2	-0.2	-1.6
<b>Glaston Group total</b>	<b>35.5</b>	<b>34.2</b>	<b>142.7</b>

<b>EBIT</b>	<b>1-3/2012</b>	<b>1-3/2011</b>	<b>1-12/2011</b>
Machines	-0.9	-1.9	-1.9
Services	1.7	1.5	5.6
Software Solutions	0.2	1.0	1.7
Other and eliminations	-1.6	-1.6	-6.8
<b>EBIT excluding non-recurring items</b>	<b>-0.6</b>	<b>-0.9</b>	<b>-1.4</b>
Non-recurring items	-3.3	-	0.3
<b>EBIT</b>	<b>-3.9</b>	<b>-0.9</b>	<b>-1.1</b>
Net financial items	-1.5	-6.3	-10.8
<b>Result before income taxes and non-controlling interest</b>	<b>-5.4</b>	<b>-7.2</b>	<b>-11.8</b>
Income taxes	0.1	-0.9	-2.6
<b>Result</b>	<b>-5.3</b>	<b>-8.1</b>	<b>-14.4</b>
Number of personnel, average	858	920	899
Number of personnel, end of period	844	900	870

<b>Segment assets</b>	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.12.2011</b>
Machines	91.9	99.4	94.5
Services	29.4	29.8	28.9
Software Solutions	26.4	26.0	25.1
Other	5.9	5.6	5.3
<b>Total segment assets</b>	<b>153.6</b>	<b>160.7</b>	<b>153.8</b>
Other assets	24.1	37.4	33.3
<b>Total assets</b>	<b>177.7</b>	<b>198.1</b>	<b>187.2</b>

<b>Segment liabilities</b>	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.12.2011</b>
Machines	45.1	44.5	46.6
Services	7.2	7.5	6.9
Software Solutions	5.6	5.3	4.8
Other	1.6	1.2	1.8

<b>Total segment liabilities</b>	<b>59.5</b>	<b>58.5</b>	<b>60.1</b>
Other liabilities	70.7	81.6	73.9
<b>Total liabilities</b>	<b>130.2</b>	<b>140.0</b>	<b>134.0</b>

<b>Net working capital</b>	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.12.2011</b>
Machines	46.8	54.9	47.9
Services	22.2	22.3	21.9
Software Solutions	20.8	20.7	20.4
Other	4.3	4.4	3.5
<b>Total Glaston Group</b>	<b>94.1</b>	<b>102.3</b>	<b>93.7</b>

#### Order intake

EUR million	<b>1-3/2012</b>	<b>1-3/2011</b>	<b>1-12/2011</b>
Machines	20.7	24.0	89.2
Services	7.5	8.7	31.3
Software Solutions	4.6	5.4	20.9
<b>Total Glaston Group</b>	<b>32.8</b>	<b>38.1</b>	<b>141.3</b>

#### Net sales by geographical areas

EUR million	<b>1-3/2012</b>	<b>1-3/2011</b>	<b>1-12/2011</b>
EMEA	16.3	16.6	68.1
Asia	8.1	9.7	33.6
America	11.2	7.9	41.0
<b>Total</b>	<b>35.5</b>	<b>34.2</b>	<b>142.7</b>

#### QUARTERLY NET SALES, OPERATING RESULT, ORDER INTAKE AND ORDER BOOK

##### Machines

EUR million	<b>1-3/ 2012</b>	<b>10-12/ 2011</b>	<b>7-9/ 2011</b>	<b>4-6/ 2011</b>	<b>1-3/ 2011</b>
External sales	21.9	26.1	16.2	27.4	20.1
Intersegment sales	0.0	0.1	0.0	0.2	0.0
<b>Net sales</b>	<b>21.9</b>	<b>26.2</b>	<b>16.2</b>	<b>27.6</b>	<b>20.1</b>
<b>EBIT excluding non-recurring items</b>	<b>-0.9</b>	<b>1.5</b>	<b>-1.7</b>	<b>0.2</b>	<b>-1.9</b>
EBIT-%, excl. non-recurring items	-4.1	5.6	-10.5	0.6	-9.2
Non-recurring items	-3.0	0.2	-	-	-
<b>EBIT</b>	<b>-3.9</b>	<b>1.7</b>	<b>-1.7</b>	<b>0.2</b>	<b>-1.9</b>
EBIT-%	-17.7	6.3	-10.5	0.6	-9.2

##### Services

EUR million	<b>1-3/ 2012</b>	<b>10-12/ 2011</b>	<b>7-9/ 2011</b>	<b>4-6/ 2011</b>	<b>1-3/ 2011</b>
External sales	8.3	7.6	6.1	8.1	8.1
Intersegment sales	0.2	0.4	0.2	0.4	0.2
<b>Net sales</b>	<b>8.5</b>	<b>7.9</b>	<b>6.3</b>	<b>8.5</b>	<b>8.3</b>
<b>EBIT excluding non-recurring items</b>	<b>1.7</b>	<b>0.9</b>	<b>0.9</b>	<b>2.3</b>	<b>1.5</b>

EBIT-%, excl. non-recurring items	20.5	11.0	14.0	26.8	18.4
Non-recurring items	-	0.0	0.0	0.1	-
<b>EBIT</b>	<b>1.7</b>	<b>0.9</b>	<b>0.9</b>	<b>2.3</b>	<b>1.5</b>
EBIT-%	20.5	11.4	14.8	27.5	18.4

### Software Solutions

EUR million	1-3/ 2012	10-12/ 2011	7-9/ 2011	4-6/ 2011	1-3/ 2011
External sales	5.4	5.6	5.3	6.1	6.0
Intersegment sales	0.0	0.0	0.0	0.0	0.0
<b>Net sales</b>	<b>5.4</b>	<b>5.6</b>	<b>5.3</b>	<b>6.2</b>	<b>6.0</b>
Share of associates' and joint ventures' results	-	-	0.0	-	-
<b>EBIT excluding non-recurring items</b>	<b>0.2</b>	<b>0.8</b>	<b>-0.3</b>	<b>0.3</b>	<b>1.0</b>
EBIT-%, excl. non-recurring items	3.3	13.4	-6.3	5.3	16.4
Non-recurring items	-0.3	-	0.0	0.0	-
<b>EBIT</b>	<b>-0.2</b>	<b>0.8</b>	<b>-0.3</b>	<b>0.4</b>	<b>1.0</b>
EBIT-%	-3.1	13.4	-6.3	6.0	16.4

### Net sales

EUR million	1-3/ 2012	10-12/ 2011	7-9/ 2011	4-6/ 2011	1-3/ 2011
Machines	21.9	26.2	16.2	27.6	20.1
Services	8.5	7.9	6.3	8.5	8.3
Software Solutions	5.4	5.6	5.3	6.2	6.0
Other and intersegment sales	-0.2	-0.5	-0.2	-0.6	-0.2
<b>Glaston Group total</b>	<b>35.5</b>	<b>39.3</b>	<b>27.5</b>	<b>41.6</b>	<b>34.2</b>

### EBIT

EUR million	1-3/ 2012	10-12/ 2011	7-9/ 2011	4-6/ 2011	1-3/ 2011
Machines	-0.9	1.5	-1.7	0.2	-1.9
Services	1.7	0.9	0.9	2.3	1.5
Software Solutions	0.2	0.8	-0.3	0.3	1.0
Other and eliminations	-1.6	-2.2	-1.4	-1.6	-1.6
<b>EBIT excluding non-recurring items</b>	<b>-0.6</b>	<b>0.9</b>	<b>-2.6</b>	<b>1.2</b>	<b>-0.9</b>
Non-recurring items	-3.3	0.2	0.0	0.1	-
<b>EBIT</b>	<b>-3.9</b>	<b>1.1</b>	<b>-2.5</b>	<b>1.3</b>	<b>-0.9</b>

Order book	31.3. 2012	31.12. 2011	30.9. 2011	30.6. 2011	31.3. 2011
Machines	34.2	34.6	33.1	35.4	40.2
Services	1.1	1.2	1.4	1.1	1.7
Software Solutions	1.5	1.8	2.2	2.2	2.5
<b>Total Glaston Group</b>	<b>36.7</b>	<b>37.6</b>	<b>36.7</b>	<b>38.7</b>	<b>44.3</b>

## Order intake

EUR million	1-3/ 2012	10-12/ 2011	7-9/ 2011	4-6/ 2011	1-3/ 2011
Machines	20.7	26.9	15.2	23.1	24.0
Services	7.5	8.0	6.7	8.0	8.7
Software Solutions	4.6	4.8	5.0	5.7	5.4
<b>Total Glaston Group</b>	<b>32.8</b>	<b>39.7</b>	<b>26.8</b>	<b>36.7</b>	<b>38.1</b>

## CONTINGENT LIABILITIES

EUR million	<u>31.3.2012</u>	<u>31.3.2011</u>	<u>31.12.2011</u>
Mortgages and pledges			
On own behalf	487.2	516.9	490.1
On behalf of others	0.1	0.2	0.1
Guarantees			
On own behalf	0.5	0.2	0.5
On behalf of others	0.0	0.2	0.0
Lease obligations	9.0	10.5	9.6
Repurchase obligations	-	0.2	-
Other obligation on own behalf	0.7	0.0	0.8

Mortgages and pledges include EUR 111.7 million shares in group companies and EUR 40.2 million receivables from group companies.

Glaston Group has international operations and can be a defendant or plaintiff in a number of legal proceedings incidental to those operations. The Group does not expect the outcome of any unmentioned legal proceedings currently pending, either individually or in the aggregate, to have material adverse effect upon the Group's consolidated financial position or results of operations.

## DERIVATIVE INSTRUMENTS

EUR million	<u>31.3.2012</u>		<u>31.3.2011</u>		<u>31.12.2011</u>	
	<u>Nominal</u> <u>value</u>	<u>Fair</u> <u>value</u>	<u>Nominal</u> <u>value</u>	<u>Fair</u> <u>value</u>	<u>Nominal</u> <u>value</u>	<u>Fair</u> <u>value</u>
<b>Currency derivatives</b>						
Currency forwards	-	-	0.2	0.0	-	-
<b>Commodity derivatives</b>						
Electricity forwards	0.2	0.0	0.3	0.2	0.1	0.0

Derivative instruments are used only for hedging purposes. Nominal values of derivative instruments do not necessarily correspond with the actual cash flows between the counterparties and do not therefore give a fair view of the risk position of the Group. The fair values are based on market valuation on the date of reporting.

## PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment	1-3/2012	1-3/2011	1-12/2011
Carrying amount at beginning of the period	18.7	19.5	19.5
Additions	0.2	0.3	1.2
Disposals	-	-0.1	-0.2
Depreciation and amortization	-0.6	-0.7	-2.5
Impairment losses and reversals of impairment losses	-	0.0	-0.1
Reclassification and other changes	-	0.8	0.6
Exchange differences	-0.1	-0.2	0.2
Carrying amount at end of the period	18.1	19.6	18.7

At the end of March 2012 and 2011, Glaston did not have of contractual commitments for the acquisition of property, plant and equipment.

## SHAREHOLDER INFORMATION

### 20 largest shareholders 31 March, 2012

Shareholder	Number of shares	% of shares and votes
1 GWS Trade Oy	13,446,700	12.73
2 Oy G.W.Sohlberg Ab	12,819,400	12.14
3 Varma Mutual Pension Insurance Company	9,447,320	8.95
4 Suomen Teollisuussijotus Oy	9,049,255	8.57
5 Fondita Nordic Micro Cap Investment Fund	2,122,780	2.01
6 Sumelius Bjarne Henning	1,950,000	1.85
7 Oy Investsum Ab	1,820,000	1.72
8 Sumelius Bertil Christer	1,803,800	1.71
9 Von Christierson Charlie	1,600,000	1.52
10 Sumelius-Fogelholm Birgitta Christina	1,540,000	1.46
11 Sumelius-Koljonen Barbro	1,175,238	1.11
12 Nordea Pro Finland Fund	1,101,300	1.04
13 The Finnish Cultural Foundation	1,084,760	1.03
14 Ehrnrooth Helene Margareta	1,000,000	0.95
15 Oy Cacava Ab	1,000,000	0.95
16 Fennia Life Insurance Company	940,000	0.89
17 Juola Soile Johanna	854,800	0.81
18 Nordea Life Assurance Finland Ltd	850,000	0.81
19 Huber Karin	800,800	0.76
20 Evli Alexander Management Oy	788,582	0.75
<b>20 largest shareholders total</b>	<b>65,194,735</b>	<b>61.74</b>
Nominee registered shareholders	527,547	0.50
Other shares	39,866,354	37.76
Total	105,588,636	100.00

## **RELATED PARTY TRANSACTIONS**

Glaston Group's related parties include the parent, subsidiaries, associates and joint ventures. Related parties also include the members of the Board of Directors and the Group's Executive Management Group, the CEO and their family members. Also the shareholders, which have significant influence in Glaston through shareholding, are considered to be related parties, as well as the companies controlled by these shareholders.

Glaston follows the same commercial terms in transactions with associates and joint ventures and other related parties as with third parties.

The Group has leased premises from companies owned by individuals belonging to the management. The lease payments were in January - December EUR 0.1 (0.2) million.

During the review period there were no related party transactions whose terms would differ from the terms in transactions with third parties.