

Glaston Interim Report 1 January – 31 March 2013

Continuing Operations January-March 2013 compared with January-March 2012
(comparison year figures have been restated)

- Orders received in January-March totalled EUR 28.8 (28.3) million.
- The order book on 31 March 2013 was EUR 39.4 (35.2) million.
- Consolidated net sales in January-March totalled EUR 26.4 (30.2) million.
- EBITDA, excluding non-recurring items, was EUR 0.8 (0.6) million, i.e. 3.0 (2.0)% of net sales.
- The operating result, excluding non-recurring items, was a loss of EUR 0.4 (0.7 loss) million, i.e. -1.4 (-2.4)% of net sales.
- The operating result was a profit of EUR 3.4 (3.7 loss) million, i.e. 12.8 (-12.3)% of net sales.
- Continuing Operations' return on capital employed (ROCE) was 28.9 (-13.1)%.
- Continuing Operations' earnings per share were EUR 0.04 (-0.04). Continuing and Discontinued Operations' earnings per share totalled EUR 0.04 (-0.05).
- Glaston's interest-bearing net debt totalled EUR 10.5 (53.4) million.
- Glaston's financial position improved significantly during the first quarter.
- Glaston expects 2013 net sales to be on the 2012 level and the operating result to be positive.

President & CEO Arto Metsänen:

"As a result of the measures implemented during the first quarter our company now stands on a solid foundation and we can focus on developing our business operations. We completed the sales of the Software Solutions segment and the Tampere factory property, implemented a share issue and a conversion issue, and agreed a new long-term financing agreement. The implemented arrangements reduced our net debt significantly and raised our equity ratio to a good level.

Glaston's markets developed according to our expectations in the first quarter. The cautious revival of the North American market that began at the end of last year continued. The Asian market also continued to develop favourably. No major changes occurred in the South American market. In the EMEA area, the market was still challenging, with significant regional differences.

Our company's main objective for 2013 is a positive operating result. The adjustment programme completed at the end of 2012, which will yield around EUR 5 million in savings on an annual basis, combined with the measures implemented at beginning of this year, will create an excellent basis to achieve this objective."

Glaston's outlook for 2013 unchanged

Glaston expects 2013 net sales to be on the 2012 level and the operating result to be positive.

Markets

Glaston's market situation developed according to expectations during the first quarter. After a slow January, the market picked up and, as the end of the reporting season approached, there were clear signs of growth in demand.

Machines

In the Machines segment, the cautiously positive development of the Asian and particularly the North American market continued in the first quarter. In the EMEA area, the market developed unevenly, with significant differences between regions. The favourable development of the Eastern European and Russian markets continued. In South America, the market remained stable.

In the review period, a new pre-processing machine, the UC1000™, was launched to the market and the

first sale of the machine, to Russia, was completed. Also in the review period, there was a significant double edge grinding machine sale to Eastern Europe. In heat treatment machines, the Glaston FC500™ product range further strengthened its position, driven particularly by a revival of construction start-ups in North America.

The Machines segment's January-March net sales totalled EUR 19.1 (21.9) million and the operating result, excluding non-recurring items, was a loss of EUR 0.4 (0.9 loss) million.

Services

The Services segment's year started slowly worldwide, particularly in spare parts sales, but it picked up significantly in the final month of the review period. The company's market position remained strong, particularly in heat treatment machine maintenance work. Price competition in pre-processing machine spare parts sales continued to be very intense. Despite this, Glaston managed to increase its sales of pre-processing machine spare parts in Asia and in the EMEA area.

In the review period, the following new upgrade products were installed: an iControl automation system upgrade to New Zealand; a new flat tempering RC200-zone™ heating chamber replaced an old chamber in the United Arab Emirates; and furnace roller heat control, RHC technology, was added to a flat tempering machine in Russia. In the APAC area, two significant deals were closed, with a total value of around EUR 0.5 million.

In January-March, the Services segment's net sales totalled EUR 7.7 (8.5) million. The operating result, excluding non-recurring items, was EUR 1.2 (1.7) million.

Continuing Operations' orders received and order book

Orders received during the first quarter totalled EUR 28.8 (28.3) million. Of orders received, the Machines segment accounted for 74% and the Services segment 26%.

Glaston's order book on 31 March 2013 was EUR 39.4 (35.2) million. Of the order book, the Machines segment accounted for EUR 37.8 million and the Services segment for EUR 1.6 million.

Order book, EUR million	31.3.2013	31.3.2012
Machines	37.8	34.2
Services	1.6	1.1
Total	39.4	35.2

Continuing Operations' net sales, operating result, and result

Net sales for the review period totalled EUR 26.4 (30.2) million. The Machines segment's net sales in the first quarter were EUR 19.1 (21.9) million and the Services segment's net sales were EUR 7.7 (8.5) million.

Net sales, EUR million	1-3/2013	1-3/2012	1-12/2012
Machines	19.1	21.9	84.7
Services	7.7	8.5	32.3
Other and internal sales	-0.4	-0.2	-1.4
Total,	26.4	30.2	115.6

The operating result, excluding non-recurring items, was a loss of EUR 0.4 (0.7 loss) million, i.e. -1.4 (-2.4)% of net sales. In January-March, the Machines segment's operating result, excluding non-recurring items, was a loss of EUR 0.4 (0.9 loss) million and the Services segment's operating result, excluding non-recurring items, was a profit of EUR 1.2 (1.7) million.

EBIT, MEUR	1-3/2013	1-3/2012	1-12/2012
Machines	-0.4	-0.9	-2.6
Services	1.2	1.7	5.9
Other and eliminations	-1.2	-1.6	-6.7
EBIT excl. Non-recurring items	-0.4	-0.7	-3.4
Non-recurring items	3.7	-3.0	-5.4
EBIT, continuing operations	3.4	-3.7	-8.8

Continuing Operations' operating result in January-March was a profit of EUR 3.4 (3.7 loss) million. Non-recurring items totalling EUR 3.7 million were recognised in the first quarter of the year. Of the 2013 non-recurring items, the most significant was a capital gain of EUR 3.8 million from the sale of the Tampere property complex. A goodwill impairment loss of EUR 3.0 million directed at Pre-processing operations, which belong to the Machines segment, was recognised as a non-recurring item in the first quarter of 2012.

During the first quarter, Glaston repurchased convertible bonds with a nominal value EUR 2 million at a price which was below the nominal value. This repurchase yielded financial income of EUR 0.9 million. Similarly, during the first quarter, the remaining convertible bond and debenture bond with accrued interest were used as payment in the share issue (conversion issue). As the subscription price of the conversion issue was higher than the fair value of the share at the time of subscription, financial income of EUR 1.9 million arose to Glaston in connection with the conversion issue. These financial income items had no impact on cash flow.

Continuing Operations' result in January-March was a profit of EUR 4.7 (5.0 loss) million. The result, after the result of Discontinued Operations, was a profit of EUR 4.7 (5.3 loss) million. The January-March return on capital employed (ROCE) for Continuing Operations was 28.9 (-13.1)%. Return on capital employed was 29.4 (-13.7)%.

Earnings per share

Continuing Operations' earnings per share in the first quarter were EUR 0.04 (-0.04) and Discontinued Operations' earnings per share were EUR 0.00 (0.00), i.e. a total of EUR 0.04 (-0.05).

Financial position, cash flow and financing

In the first quarter, the Group implemented extensive measures to strengthen the company's financial position. These measures included a share issue, the conversion of convertible and debenture bonds into shares by using them as payment in the conversion issue, a new long-term financing agreement, the completion of the sale of the Software Solutions segment, and the sale and leaseback of the Tampere factory property complex.

On 7 February 2013, Glaston signed a new long-term financing agreement. The financing agreement consists of a EUR 26.7 million long-term loan, a EUR 10 million revolving credit facility and a EUR 8.0 million guarantee limit. The financing agreement is for three years and it is valid until 31 January 2016.

The covenants in use are interest cover, net debt/EBITDA, cash and cash equivalents, and gross capital expenditure. The covenants will be monitored, depending on the covenant, monthly, quarterly, semi-annually or annually. With respect to the interest cover covenant, the first monitoring date is after the first quarter of 2014.

The terms and conditions of the new financing agreement include a restriction on the distribution of dividends. According to the restriction, no dividends may be distributed for the financial years 2012 and 2013. The restriction will not be applied to the minimum dividend distributed under the Companies Act.

The prerequisites for the entry into force of the new financing agreement were, among other things, the execution of a share issue directed at the public, the execution of a share issue directed at the holders of the convertible bond issued by Glaston in 2009 and the debenture bond issued by Glaston in 2011, as well as the repurchase convertible bonds with the nominal value of EUR 2.0 million, and the completion of the sales of the Software Solutions segment and the Tampere property complex. All conditions were fulfilled by 28 March 2013 and the financing agreement entered into force.

Glaston's interest-bearing net debt declined significantly during the first quarter. Interest-bearing net debt declined from EUR 57.7 million on 31 December 2012 to EUR 10.5 million on 31 March 2013. Interest-bearing debt was reduced by funds obtained from the sales of the Software Solutions business area and the Tampere property complex. The repurchase of the convertible bonds and the use of the remaining convertible bond and the debenture bond as payment in the conversion issue also reduced interest-bearing debt. The Group's liquid funds at the end of the review period totalled EUR 18.1 (13.0) million. Interest-bearing net debt totalled EUR 10.5 (53.4) million and net gearing was 19.6 (112.7)%; net gearing was 188.4% on 31 December 2012.

The share issues executed during the first quarter improved Glaston's equity ratio significantly. A EUR 10 million share issue was directed at the public and a conversion issue was directed at holders of the convertible bond and the debenture bond. In the conversion issue, the capital of the bonds and accrued interest, a total of EUR 11.4 million were used as payment for the shares. Both share issues were entered into the reserve for invested unrestricted equity. The share issue expenses have been deducted from the reserve for invested unrestricted equity. The equity ratio was 44.6 (28.8)% on 31 March 2013, and was 21.6% on 31 December 2012.

At the end of the first quarter, the consolidated asset total was EUR 138.3 (177.7) million. The equity attributable to owners of the parent was EUR 53.3 (47.0) million. The share issue-adjusted equity per share was EUR 0.28 (0.42). Return on equity in January-March was 44.3 (-42.6)%.

Cash flow from the operating activities of Continuing and Discontinued operations, before the change in working capital, was EUR 1.4 (1.4) million in the review period. The change in working capital was EUR 0.9 (-2.8) million. Cash flow from investing activities was EUR +24.3 (-1.8) million. Cash flow from investing activities was improved by the proceeds from the sale of both Software Solutions segment and Tampere property, in total EUR 25.4 million. Cash flow from financing activities in January-March was EUR -19.6 (-2.3) million. Funds from the share issues, net of expenses, were EUR 9.1 million, and the repayments of interest-bearing debt were in total EUR -28.8 million.

Capital expenditure, depreciation and amortisation

The gross capital expenditure of Glaston's Continuing and Discontinued Operations totalled EUR 1.1 (1.8) million. The most significant investments in the review period were in product development. Depreciation and amortisation of Continuing Operations on property, plant and equipment and on intangible assets totalled EUR 1.2 (1.3) million. A EUR 3.0 million goodwill impairment loss, directed at Pre-processing operating segment, which belong to the Machines segment, was recognised in the first quarter of 2012.

Discontinued Operations

In October 2012, Glaston announced that it was negotiating the sale of the Software Solutions business area, and in November 2012 published a stock exchange release stating that it had concluded a binding agreement on the sale of this business area. The sale was completed on 4 February 2013 when the shares in Albat+Wirsam Software GmbH were sold to Constellation Software Inc. acting through its Friedman Operating Group as all the closing conditions were fulfilled.

The result of Glaston's Discontinued Operations in 2013 includes the result of the Software Solutions business area for the period 1 January-31 January 2013 as well as the result on the sale of the business area.

EUR million	1-3/2013	1-3/2012
Profit / loss before tax from Discontinued Operations	0.5	-0.2
Current income tax	-0.1	-0.2
Loss from disposal of Discontinued Operations	-0.4	-
Profit / loss from Discontinued Operations	0.0	-0.3

Changes in the company's management

Following the sale of the shares of Albat+Wirsam Software GmbH, Senior Vice President, Software Solutions, Uwe Schmid resigned from Glaston's Executive Management Group on 4 February 2013. On 1 February 2013, General Counsel Taina Tirkkonen was appointed to the Executive Management Group.

Employees

Glaston's Continuing Operations had a total of 598 (654) employees on 31 March 2013. Of the Group's employees, 23% worked in Finland and 28% elsewhere in the EMEA area, 33% in Asia and 16% in the Americas. In review period, the average number of employees was 592 (665).

Board authorisations

Annual General Meeting 2011

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 covered a maximum of 20,000,000 shares and it was valid until the end of the 2013 Annual General Meeting, i.e. 17 April 2013. The authorisation included the right to decide on a share issue without payment. The Board of Directors also had the right to issue and/or convey shares in derogation of the pre-emptive subscription right of shareholders.

Extraordinary General Meeting 2013

The Extraordinary General Meeting held on 12 February 2013 authorised the Board of Directors to decide on one or more issuances of shares. Based on the authorisation, the Board has the right to issue new shares or to dispose of shares in the possession of the company up to 86,000,000 shares.

The authorisation entitles the Board to decide on a directed share issue. The authorisation may be used for executing or financing arrangements important from the company's point of view, such as the restructuring of the company's financial structure or implementing business arrangements or investments, or for other such purposes determined by the Board of Directors in which a weighty financial reason for directing a share issue would exist.

The Board of Directors was authorised to decide on all other terms and conditions of the issuance of shares, such as the payment period, grounds for the determination of the subscription price and the subscription price. Based on the authorisation, the subscription price may be paid also by other assets, such as by setting off a receivable from the company, either partially or entirely.

The authorisation is valid until 30 June 2013. The authorisation does not invalidate the authorisation granted by the Annual General Meeting on 5 April 2011.

At the end of the review period, the Board of Directors had no longer authorisation to issue new shares in respect of the authorisation granted by the Extraordinary General Meeting held on 12 February 2013.

The Annual General Meeting held on 17 April 2013 authorised the Board of Directors to decide on the issuance of shares as well as the issuance of options and other rights granting entitlement to shares. The authorisation is valid until 30 June 2014 and it invalidates earlier authorisations. The resolutions of

the Annual General Meeting are presented in the section “Events after the review period”.

Shares and share prices

At its meeting on 28 February 2013, Glaston's Board of Directors decided, based on the authorisations granted by the Extraordinary General Meeting held on 12 February 2013 and by the Annual General Meeting held on 5 April 2011, to execute a share issue by offering a maximum of 50,000,000 new shares for subscription by the public, in derogation of the pre-emptive subscription right of shareholders, at the subscription price of EUR 0.20 per share. Furthermore, the Board of Directors decided, based on the authorisation granted by the Extraordinary General Meeting held on 12 February 2013, to execute a share issue directed at the holders of the convertible bond issued by Glaston in 2009 and the debenture bond issued by Glaston in 2011. This conversion issue offered a maximum of 38,119,700 new shares in the company for subscription by the holders of the convertible bond 2009 and debenture bond 2011, in derogation of the pre-emptive subscription right of shareholders. The conversion issue was executed as a private placement arrangement to the holders of the bonds. The subscription price of the new shares offered in the conversion issue was EUR 0.30 per share.

On 11 March 2013, Glaston's Board of Directors approved the subscriptions of 50,000,000 issued shares made in the share issue and the subscriptions of 38,119,700 new shares made in the conversion issue. As a result of the share issue and the conversion issue, the number of the company's shares increased by 88,119,700 shares to 193,708,336 shares. The new shares were entered in the Trade Register on 27 March 2013. The total subscriptions of the share issue and the conversion issue were approximately EUR 21.4 million.

Glaston Corporation's paid and registered share capital on 31 March 2013 was EUR 12.7 million and the number of issued and registered shares totalled 193,708,336. 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 0.41% of the total number of issued and registered shares and votes. The counter book value of treasury shares is EUR 51,685.

Every share that the company does not hold itself entitles its owner to one vote at a General Meeting of Shareholders. The share has no nominal value. The counter book value of each registered share is EUR 0.07.

During the first quarter of the year, a total of around 6.3 million of the company's shares were traded, i.e. around 5.8% of the average number of registered shares. The lowest price paid for a share was EUR 0.22 and the highest price EUR 0.30. The volume-weighted average price of shares traded during January-March was EUR 0.25. The closing price on 31 March 2013 was EUR 0.24.

On 31 March 2013, the market capitalisation of the company's registered shares, treasury shares excluded, was EUR 46.3 (61.8) million. The share issue-adjusted equity per share attributable to owners of the parent was EUR 0.28 (0.42).

Disclosures under Chapter 9, Section 5 of the Securities Markets Act

During the review period, Glaston was informed of the following changes in ownership:

On 11 March 2013, Glaston received notification from GWS Trade Oy and Oy G.W.Sohlberg that both companies' share of the total number of shares and voting rights in Glaston Corporation had fallen below 10%. Oy G.W.Sohlberg's holding (12,819,400 shares) of Glaston's total number of shares and voting rights declined from 12.14% to 6.62% and GWS Trade Oy's holding (13,446,700 shares) of Glaston's total number of shares and voting rights declined from 12.73% to 6.94%.

On 11 March 2013, Glaston received notification from Hymy Lahtinen Oy that the company's share of the total number of shares and voting rights in Glaston Corporation had risen above 5%. Hymy Lahtinen Oy's ownership rose to 10,150,200 shares, which is 5.24% of all Glaston shares and votes.

On 12 March 2013, Glaston received notification from Etera Mutual Pension Insurance Company that the company's share of the total number of shares and voting rights in Glaston Corporation had risen above 10%. Etera Mutual Pension Insurance Company ownership rose to 26,764,885 shares, which is 13.82% of all Glaston shares and votes.

On the same day, Glaston received notification from Yleisradion eläkesäätiö (Yleisradio Pension Fund) that the fund's share of the total number of shares and voting rights in Glaston Corporation had risen above 5%. Yleisradion eläkesäätiö's ownership rose to 10,481,369 shares, which is 5.41% of all Glaston shares and votes.

All of the notifications are related to Glaston's share issue directed at the public and the conversion issue directed at holders of the convertible bond 2009 and the debenture bond 2011.

Events after the review period

The Annual General Meeting of Glaston Corporation was held in Helsinki on 17 April 2013. The Annual General Meeting adopted the financial statements and consolidated financial statements for the period 1 January – 31 December 2012. 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 2012.

The Annual General Meeting discharged the Members of the Board of Directors and the President & CEO from liability for the financial year 1 January – 31 December 2012.

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, Anu Hämäläinen, 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,

After the Annual General Meeting, the Board of Directors elected Andreas Tallberg as Chairman of the Board and Christer Sumelius as Deputy Chairman of the Board.

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 Authorised Public Accountant Harri Pärssinen as the responsible auditor.

The Annual General Meeting authorised the Board of Directors to decide on the issuance of shares as well as the issuance of options and other rights granting entitlement to shares. The authorisation covers a maximum of 20,000,000 shares. The authorisation does not exclude the Board of Directors' right to decide on a directed issue. It was proposed that the authorisation be used for executing or financing arrangements important from the company's point of view, such as business arrangements or investments, or for other such purposes determined by the Board of Directors in which a weighty financial reason would exist for issuing shares, options or other rights granting entitlement to shares and possibly directing a share issue.

The Board of Directors is authorised to resolve on all other terms and conditions of the issuance of shares, options and other rights entitling to shares as referred to in Chapter 10 of the Companies Act, including the payment period, grounds for the determination of the subscription price and the subscription price or allocation of shares, options or other rights without payment or that the subscription price may be paid besides in cash also by other assets either partially or entirely. The authorisation is valid until 30 June 2014 and it invalidates earlier authorisations.

The Annual General Meeting resolved to establish a permanent Nomination Board consisting of shareholders or representatives of shareholders to prepare and present for the next Annual General Meeting and, if necessary, to an Extraordinary General Meeting, proposals concerning the number and identities of the members of the Board of Directors and the remuneration of the Board of Directors. In addition, the task of the Nomination Board is to seek candidates as potential board members. The Nomination Board consists of four members, all of which shall be appointed by the company's four largest shareholders, who shall appoint one member each. The Chairman of the company's Board of Directors shall serve as an advisory member of the Nomination Board.

The company's largest shareholders entitled to appoint members to the Nomination Board shall be determined on the basis of the registered holdings in the company's shareholder register held by Euroclear Finland Ltd as of the first working day in September in the year concerned. The Chairman of the Board of Directors shall request each of the four largest shareholders to appoint one member to the Nomination Board. In the event that a shareholder does not wish to exercise his or her right to appoint a representative, it shall pass to the next-largest shareholder who would not otherwise be entitled to appoint a member to the Nomination Board.

The Nomination Board shall elect a Chairman from among its members. The Chairman of the Board of Directors shall convene the first meeting of the Nomination Board and the Nomination Board's Chairman shall be responsible for convening subsequent meetings. The Nomination Board shall deliver its proposal, which will be included in the notice to the Annual General Meeting, to the Company's Board of Directors by the end of January preceding the next Annual General Meeting.

Uncertainties and risks in the near future

Glaston's business environment remains challenging. Slower economic growth and uncertainty in the financial markets could affect the timing of large machine orders. The general economic uncertainty continues to affect customers' investment activity.

Global economic uncertainty and its impact on development of the sector have been taken into account in the short-term forecasts. If the recovery of the sector is delayed further or slows, this will have a negative effect on future cash flows.

Glaston performs annual goodwill impairment testing during the final quarter of the year. In addition, goodwill impairment testing is performed if there are indications of impairment. Due to prolonged 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.

General business risks and risk management are outlined in more detail in Glaston's 2012 Annual Report and on the company's website www.glaston.net.

Outlook

Our expectations for the development of the market in 2013 remain cautiously positive. In North America, the outlook for construction in particular is more positive than in 2012. We expect that the cautiously favourable development in Asia will continue. Stable development in South America is expected to continue. In Europe, the market is still developing unevenly, with substantial differences between areas.

As a result of economic uncertainty and overcapacity, the market for new glass processing machines will continue to be challenging. The development of the service market is expected to remain positive.

The measures implemented during the first quarter to improve the financial position as well as the adjustment programme implemented during the end of the year 2012 provide good opportunities for business development. We will continue our investments in product development and in the further development of glass processing lifecycle services.

Glaston expects 2013 net sales to be on the 2012 level and the operating result to be positive.

Helsinki, 25 April 2013

Glaston Corporation
Board of Directors

For further information, please contact:
President & CEO Arto Metsänen, tel. +358 10 500 6100
Chief Financial Officer Sasu Koivumäki, tel. +358 10 500 500

GLASTON CORPORATION
Agneta Selroos
Director, Communications and Marketing

Glaston Corporation
Glaston is a global company developing glass processing technology for architectural, solar, appliance and automotive applications. Our product portfolio ranges from pre-processing and safety glass machines to services. We are dedicated to our customers' continued success and provide services for all glass processing needs with a lifecycle-long commitment in mind. For more information, please visit www.glaston.net. Glaston's share (GLA1V) is listed on the NASDAQ OMX Helsinki Small Cap List.

Distribution: NASDAQ OMX, key media, www.glaston.net

GLASTON CORPORATION

CONDENSED FINANCIAL STATEMENTS AND NOTES 1 JANUARY - 31 MARCH 2013

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>31.3.2013</u>	restated <u>31.3.2012</u>	restated <u>31.12.2012</u>	restated <u>1.1.2012</u>
Assets				
Non-current assets				
Goodwill	36.8	49.6	36.8	52.6
Other intangible assets	10.3	18.3	10.7	18.2
Property, plant and equipment	8.3	18.1	7.3	18.7
Investments in associates	-	0.0	-	0.0
Available-for-sale assets	0.3	0.3	0.3	0.3
Loan receivables	1.8	4.4	1.8	4.4
Deferred tax assets	5.8	6.9	6.7	6.9
Total non-current assets	63.3	97.8	63.8	101.2
Current assets				
Inventories	26.7	26.3	21.8	25.2
Receivables				
Trade and other receivables	29.4	39.9	31.2	40.8
Assets for current tax	0.9	0.8	0.9	1.3

Total receivables	30.2	40.7	32.0	42.1
Cash equivalents	18.1	13.0	10.6	18.6
Assets held for sale	-	-	29.8	-
Total current assets	75.0	80.0	94.2	86.0
Total assets	138.3	177.7	158.0	187.2

	<u>31.3.2013</u>	restated <u>31.3.2012</u>	restated <u>31.12.2012</u>	restated <u>1.1.2012</u>
Equity and liabilities				
Equity				
Share capital	12.7	12.7	12.7	12.7
Share premium account	25.3	25.3	25.3	25.3
Other restricted equity reserves	0.0	0.0	0.0	0.0
Reserve for invested unrestricted equity	47.4	26.8	26.8	26.8
Treasury shares	-3.3	-3.3	-3.3	-3.3
Fair value reserve	0.0	0.1	0.0	0.0
Other unrestricted equity reserves	0.1	0.1	0.1	-
Retained earnings and exchange differences	-33.5	-9.2	-8.9	-8.9
Net result attributable to owners of the parent	4.7	-5.3	-22.4	-
Equity attributable to owners of the parent	53.3	47.0	30.3	52.6
Non-controlling interest	0.3	0.3	0.3	0.3
Total equity	53.6	47.4	30.6	53.0
Non-current liabilities				
Convertible bond	-	8.0	8.2	7.9
Non-current interest-bearing liabilities	14.2	36.1	4.1	37.7
Non-current interest-free liabilities and provisions	3.2	2.3	2.6	2.2
Deferred tax liabilities	1.1	3.1	1.3	3.5
Total non-current liabilities	18.6	49.6	16.2	51.4
Current liabilities				
Current interest-bearing liabilities	14.4	22.2	56.2	22.6
Current provisions	2.9	4.1	3.5	4.1
Trade and other payables	48.5	54.1	46.4	55.3
Liabilities for current tax	0.3	0.4	0.3	0.7
Liabilities related to assets held for sale	-	-	4.7	-
Total current liabilities	66.1	80.8	111.2	82.8
Total liabilities	84.7	130.4	127.4	134.2
Total equity and liabilities	138.3	177.7	158.0	187.2

CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	<u>1-3/2013</u>	restated <u>1-3/2012</u>	restated <u>1-12/2012</u>
Net sales	26.4	30.2	115.6
Other operating income	3.9	0.2	1.1
Expenses	-25.7	-29.8	-117.1
Depreciation, amortization and impairment	-1.2	-4.3	-8.4
Operating result	3.4	-3.7	-8.8
Financial items, net	2.3	-1.5	-8.6
Result before income taxes	5.7	-5.2	-17.4
Income taxes	-1.0	0.2	-0.8
Profit / loss for the period from continuing operations	4.7	-5.0	-18.2
Profit / loss after tax for the period from discontinued	0.0	-0.3	-4.2

operations			
Profit / loss for the period	4.7	-5.3	-22.4
Attributable to:			
Owners of the parent	4.7	-5.3	-22.4
Non-controlling interest	0.0	0.0	0.0
Total	4.7	-5.3	-22.4
Earnings per share, EUR, continuing operations	0.04	-0.04	-0.16
Earnings per share, EUR, discontinued operations	0.00	0.00	-0.04
Earnings per share, EUR, basic and diluted	0.04	-0.05	-0.20
Operating result, continuing operations , as % of net sales	12.8	-12.3	-7.6
Profit / loss for the period, continuing operations , as % of net sales	17.7	-16.5	-15.8
Profit / loss for the period, as % of net sales	17.7	-17.7	-19.4
Non-recurring items included in operating result, continuing operations	3.7	-3.0	-5.4
Operating result, non-recurring items excluded, continuing operations	-0.4	-0.7	-3.4
Operating result, continuing operations, non-recurring items excluded, as % of net sales	-1.4	-2.4	-2.9

CONSOLIDATED STATEMENT OF COMPEREHENSIVE INCOME

	1-3/2013	restated 1-3/2012	restated 1-12/2012
Profit / loss for the period	4.7	-5.3	-22.4
Other comprehensive income that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	0.0	-0.3	0.2
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
Other comprehensive income that will not be reclassified subsequently to profit or loss:			
Exchange differences on actuarial gains and losses arising from defined benefit plans	0.0	0.0	0.0
Actuarial gains and losses arising from defined benefit plans	0.0	0.0	-0.2
Income tax on other actuarial gains and losses arising from defined benefit plans	0.0	0.0	0.1
Other comprehensive income for the reporting period, net of tax	0.0	-0.3	0.0
Total comprehensive income for the reporting period	4.7	-5.6	-22.4
Attributable to:			
Owners of the parent	4.7	-5.6	-22.3
Non-controlling interest	0.0	0.0	0.0
Total comprehensive income for the reporting period	4.7	-5.6	-22.4

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	<u>1-3/2013</u>	restated <u>1-3/2012</u>	restated <u>1-12/2012</u>
Cash flows from operating activities			
Cash flow before change in net working capital	1.4	1.4	1.1
Change in net working capital	0.9	-2.8	-2.3
Net cash flow from operating activities	2.3	-1.4	-1.1
Cash flow from investing activities			
Business combinations	-	-	-0.1
Other purchases of non-current assets	-1.1	-1.8	-5.6
Proceeds from divestment of businesses	12.9	-	-
Proceeds from sale of assets held for sale	12.5	-	-
Proceeds from sale of other non-current assets	0.0	0.0	0.2
Net cash flow from investing activities	24.3	-1.8	-5.5
Cash flow before financing	26.6	-3.1	-6.6
Cash flow from financing activities			
Share issue, net	9.1	-	-
Increase in non-current liabilities	14.7	-	0.1
Decrease in non-current liabilities	-43.4	-1.5	-1.6
Changes in loan receivables (increase - / decrease +)	0.0	0.0	0.1
Increase in short-term liabilities	11.6	2.1	11.2
Decrease in short-term liabilities	-11.6	-2.9	-10.3
Net cash flow from financing activities	-19.6	-2.3	-0.5
Effect of exchange rate changes	0.2	-0.2	-0.6
Net change in cash and cash equivalents	7.2	-5.6	-7.7
Cash and cash equivalents at the beginning of period	10.9	18.6	18.6
Cash and cash equivalents at the end of period	18.1	13.0	10.9
Net change in cash and cash equivalents	7.2	-5.6	-7.7

Cash flows include also cash flows arising from discontinued operations.

Proceeds from divestment of businesses:
EUR million

Purchase consideration received in cash	15.5
Expenses related to the sale, paid in 2013	-1.1
Cash and cash equivalents of divested subsidiaries	-1.6
Net cash flow	12.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Share premium account	Other restr. equity reserves	Reserve for invested unrest. equity	Treasury shares	Fair value reserve
Equity at 1 January, 2012, restated	12.7	25.3	0.0	26.8	-3.3	0.0
Total comprehensive income for the period	-	-	0.0	-	-	0.0
Reclassification	-	-	0.0	-	-	-
Equity at 31 March, 2012, restated	12.7	25.3	0.0	26.8	-3.3	0.1

EUR million	Share capital	Share premium account	Other restr. equity reserves	Reserve for invested unrest. equity	Treasury shares	Fair value reserve
Equity at 1 January, 2013, restated	12.7	25.3	0.0	26.8	-3.3	0.0
Total comprehensive income for the period	-	-	0.0	-	-	0.0
Share issue less of costs	-	-	-	9.1	-	-
Share issue paid with convertible and debenture bonds	-	-	-	11.4	-	-
Equity at 31 March, 2013	12.7	25.3	0.0	47.4	-3.3	0.0

EUR million	Other unrestr. equity reserves	Retained earnings	Exchange diff.	Equity attributable to owners of the parent	Non-contr. interest	Total equity
Equity at 1 January, 2012, restated	-	-8.6	-0.3	52.6	0.3	53.0
Total comprehensive income for the period	-	-5.3	-0.3	-5.6	0.0	-5.6
Reclassification	0.1	-0.1	-	-	-	-
Share-based incentive plan	-	0.0	-	0.0	-	0.0
Share-based incentive plan, tax effect	-	0.0	-	0.0	-	0.0
Equity at 31 March, 2012, restated	0.1	-14.0	-0.6	47.0	0.3	47.4

EUR million	Other unrestr. equity reserves	Retained earnings	Exchange diff.	Equity attributable to owners of the parent	Non-contr. interest	Total equity
Equity at 1 January, 2013, restated	0.1	-31.2	-0.1	30.3	0.3	30.6
Total comprehensive	-	4.7	0.0	4.7	0.0	4.7

income for the period						
Share-based incentive plan	-	0.0	-	0.0	-	0.0
Share-based incentive plan, tax effect	-	0.0	-	0.0	-	0.0
Share issue less of costs	-	-	-	9.1	-	9.1
Share issue paid with convertible and debenture bonds	-	-0.4	-	11.0	-	11.0
Result effect of the conversion issue	-	-1.9	-	-1.9	-	-1.9
Equity at 31 March, 2013	0.1	-28.8	0.0	53.3	0.3	53.6

During the first quarter Glaston had two share issues. A EUR 10 million share issue was directed to the public and another share issue was directed to the holders of the convertible bond and the debenture bond. In this conversion issue the principals as well as accrued interest, in total EUR 11.4 million, were used as payment for the shares. Both share issues were recognized in reserve for invested unrestricted equity. The expenses arising from the share issue, in total EUR 0.9 million, have been deducted from the reserve for invested unrestricted equity.

FINANCIAL ITEMS

During the first quarter Glaston purchased back convertible bonds with a nominal value of EUR 2 million. The price paid for the bonds was less than the nominal value which resulted in a EUR 0.9 million financial income.

In addition, during the first quarter the remaining convertible bonds with accrued interest as well as debenture bond with accrued interest were used as payment in a share issue (conversion issue). As the conversion price was higher than the fair value of the share at the time of conversion, a financial income of EUR 1.9 million was recognized.

Neither of the financial income affected cash flow.

KEY RATIOS

	<u>31.3.2013</u>	restated <u>31.3.2012</u>	restated <u>31.12.2012</u>
EBITDA, as % of net sales ⁽¹⁾	17.2	2.0	-0.3
Operating result (EBIT), as % of net sales	12.8	-12.3	-7.6
Profit / loss for the period, as % of net sales	17.7	-16.5	-15.8
Gross capital expenditure, continuing and discontinued operations, EUR million	1.1	1.8	5.6
Gross capital expenditure, as % of net sales of continuing and discontinued operations	3.9	5.0	4.1
Equity ratio, % ⁽²⁾	44.6	28.8	21.6
Gearing, % ⁽²⁾	53.4	140.0	224.0
Net gearing, % ⁽²⁾	19.6	112.7	188.4
Net interest-bearing debt, EUR million ⁽²⁾	10.5	53.4	57.7
Capital employed, end of period, EUR million	82.2	113.7	99.2
Return on equity, %, annualized	44.3	-42.6	-53.6
Return on capital employed, %, annualized	29.4	-13.7	-12.6
Return on capital employed, continuing operations %, annualized	28.9	-13.1	-9.4
Number of personnel, average	592	858	820
Number of personnel, continuing operations, end of period	598	654	602
Number of personnel, discontinued operations, end of	-	190	175

period			
Number of personnel, end of period	598	844	776

⁽¹⁾ EBITDA = Operating result + depreciation, amortization and impairment

⁽²⁾ Assets held for sale and related liabilities are included in calculation of the key ratio

PER SHARE DATA

	<u>31.3.2013</u>	restated <u>31.3.2012</u>	restated <u>31.12.2012</u>
Number of registered shares, end of period, treasury shares excluded (1,000)	192920	104800	104800
Number of shares issued, end of period, adjusted with share issue, treasury shares excluded (1,000)	192920	113241	113241
Number of shares, average, adjusted with share issue, treasury shares excluded (1,000)	116782	113241	113241
Number of shares, dilution effect of the convertible bond taken into account, average, adjusted with share issue, treasury shares excluded (1,000) ^(c)	116782	120514	120514
EPS, continuing operations, basic and diluted, adjusted with share issue, EUR	0.04	-0.04	-0.16
EPS, Discontinued Operations, basic and diluted, adjusted with share issue, EUR	0.00	0.00	-0.04
EPS, total, basic and diluted, adjusted with share issue, EUR	0.04	-0.05	-0.20
Adjusted equity attributable to owners of the parent per share, EUR	0.28	0.42	0.27
Price per adjusted earnings per share (P/E) ratio	6.0	-12.5	-1.3
Price per adjusted equity attributable to owners of the parent per share	0.87	1.42	0.97
Market capitalization of registered shares, EUR million	46.3	61.8	27.2
Share turnover, % (number of shares traded, % of the average registered number of shares)	5.8	5.8	16.9
Number of shares traded, (1,000)	6,343	6,024	17,736
Closing price of the share, EUR	0.24	0.59	0.26
Highest quoted price, EUR	0.30	0.74	0.74
Lowest quoted price, EUR	0.22	0.44	0.23
Volume-weighted average quoted price, EUR	0.25	0.57	0.39

DEFINITIONS OF KEY RATIOS

Per share data

Earnings per share (EPS), continuing operations:

Net result of continuing operations attributable to owners of the parent / Adjusted average number of shares

Earnings per share (EPS), discontinued operations:

Net result of discontinued operations attributable to owners of the parent / Adjusted average number of shares

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:

$\text{Dividends paid} / \text{Adjusted number of issued shares at end of the period}$

Dividend payout ratio:

$(\text{Dividend per share} \times 100) / \text{Earnings per share}$

Dividend yield:

$(\text{Dividend per share} \times 100) / \text{Share price at end of the period}$

Equity attributable to owners of the parent per share:

$\text{Equity attributable to owners of the parent at end of the period} / \text{Adjusted number of shares at end of the period}$

Average trading price:

$\text{Shares traded (EUR)} / \text{Shares traded (volume)}$

Price per earnings per share (P/E):

$\text{Share price at end of the period} / \text{Earnings per share (EPS)}$

Price per equity attributable to owners of the parent per share:

$\text{Share price at end of the period} / \text{Equity attributable to owners of the parent per share}$

Share turnover:

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

Market capitalization:

$\text{Number of shares at end of the period} \times \text{share price at end of the period}$

Number of shares at period end:

$\text{Number of issued shares} - \text{treasury shares}$

Financial ratios

EBITDA:

Profit / loss of continuing operations before depreciation, amortization and impairment

Operating result (EBIT):

Profit / loss of continuing operations after depreciation, amortization and impairment

Operating result (EBIT) excluding non-recurring items:

Profit / loss of continuing operations after depreciation, amortization and impairment, non-recurring items excluded

Cash and cash equivalents:

Cash + other financial assets (includes cash and cash equivalents classified as held for sale)

Net interest-bearing debt:

Interest-bearing liabilities (includes interest-bearing liabilities classified as held for sale) - cash and cash equivalents

Financial expenses:

Interest expenses of financial liabilities + fees of financing arrangements + foreign currency differences of financial liabilities (total of continuing and discontinued operations)

Equity ratio, %:

$\text{Equity (Equity attributable to owners of the parent} + \text{non-controlling interest)} \times 100 / \text{Total assets} - \text{advance payments received}$

Gearing, %:

$\text{Interest-bearing liabilities} \times 100 / \text{Equity (Equity attributable to owners of the parent + non-controlling interest)}$

Net gearing, %:

$\text{Net interest-bearing debt} \times 100 / \text{Equity (Equity attributable to owners of the parent + non-controlling interest)}$

Return on capital employed, % (ROCE):

$\text{Profit / loss before taxes + financial expenses} \times 100 / \text{Equity + interest-bearing liabilities, average of 1 January and end of the reporting period}$

Return on equity, % (ROE).

$\text{Profit / loss for the reporting period} \times 100 /$

$\text{Equity (Equity attributable to owners of the parent + non-controlling interest), average of 1 January and end of the reporting period}$

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, 2012, with the exception of the following new or revised or amended standards and interpretations which have been applied from 1 January, 2013:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurements
- Amendment to IAS 1 Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income
- IAS 19 (revised) Employee Benefits
- IAS 27 (revised) Separate Financial Statements
- IAS 28 (revised) Investments in Associates and Joint Ventures
- Annual Improvements to IFRSs 2009 – 2011 Cycle, published in May 2012

The revised and amended standard has been applied for annual periods beginning on or after 1 January, 2013, except that revised IAS 1 has been applied for annual periods beginning on or after 1 July, 2012.

IFRS 10 Consolidated Financial Statements standard changed the definition of control in other entities. Control is the basis for including an entity in the consolidated financial statements. The application of IFRS 10 does not affect the consolidated financial statements of Glaston.

IFRS 12 Disclosure of Interests in Other Entities standard increases the disclosure information of group companies in the consolidated financial statements.

IFRS 13 Fair Value Measurements standard increases the disclosure information in the consolidated financial statements but has otherwise no material effect on Glaston's consolidated financial statements.

Amended to IAS 1 Presentation of Items of Other Comprehensive Income standard changed the presentation of other comprehensive income in the consolidated financial statements but has otherwise no effect on Glaston's consolidated financial statements.

Revised IAS 19 Employee Benefits standard changed the recognition of actuarial gains and losses. The corridor method is no longer allowed in recognizing actuarial gains and losses but they are recognized in other comprehensive income.

Only current and past service costs as well as net interest on net defined benefit liability can be recorded in profit or loss. Other changes in net defined benefit liability are recognized in other comprehensive income with not subsequent recycling to profit or loss. The revised IAS 19 standard has been applied retrospectively.

Other new or amended standards or interpretations applicable from 1 January, 2013 are not material for Glaston Group.

RESTATEMENT OF PRIOR REPORTING PERIODS

Revised IAS 19 Employee benefits standard has been applied retrospectively. The effects of the revised standard on consolidated statement of financial position are presented in the table below. The effects on consolidated statement of profit or loss were not material. The effects on Glaston's statement of profit or loss of 2012 are presented in the table below. The restatement did not affect the result of discontinued operations. The restatement of defined benefit pension and other defined long-term employee benefit liabilities affected mainly the Machines segment.

Glaston recognizes interest expenses arising from defined benefit plans in financial items.

Restatement of statement of financial position

EUR million	31.3.2012	restatement	restated 31.3.2012
Equity attributable to owners of the parent	47.5	-0.2	47.4
Defined benefit pension and other defined long-term employee benefit liabilities	1.0	0.2	1.3
Deferred tax liabilities	3.2	-0.1	3.1
	31.12.2012	restatement	restated 31.12.2012
Equity attributable to owners of the parent	30.9	-0.3	30.6
Defined benefit pension and other defined long-term employee benefit liabilities	0.9	0.4	1.4
Deferred tax liabilities	1.5	-0.1	1.3
	1.1.2012	restatement	restated 1.1.2012
Equity attributable to owners of the parent	53.2	-0.2	53.0
Defined benefit pension and other defined long-term employee benefit liabilities	1.1	0.2	1.3
Deferred tax liabilities	3.6	-0.1	3.5

Restatement of statement of profit or loss

	1-12/2012	restatement	restated 1-12/2012
Expenses	-117.1	0.0	-117.1
Operating result	-8.8	0.0	-8.8
Financial items	-8.6	0.0	-8.6
Income taxes	-0.8	0.0	-0.8
Result of continuing operations	-18.3	0.0	-18.2

SEGMENT INFORMATION

The reportable segments of Glaston are Machines and Services. Software Solutions segment, which has previously belonged to reportable segments is presented as discontinued operations. 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, glass pre-processing machines as well as sale and manufacturing of tools.

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

The unallocated operating result consists of head office operations of the Group.

The non-recurring items of 2013, in total EUR 3.7 million positive, consist mainly of the gain from the sale of Tampere real estate. Other non-recurring items are adjustments made to restructuring costs initially recognized in 2012.

The non-recurring items of 2012 consist of goodwill impairment loss (EUR 3.0 million), goodwill impairment loss arising from measurement of disposal group classified as held for sale at fair value less costs to sell (EUR 5.2 million, in result of discontinued operations) and personnel and other costs arising from restructuring (EUR 2.9 million, of which EUR 0.5 million in result of discontinued operations).

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.

CONTINUING OPERATIONS

Machines

EUR million	1-3/2013	1-3/2012	1-12/2012
External sales	19.1	21.9	84.7
Intersegment sales	0.0	0.0	0.0
Net sales	19.1	21.9	84.7
EBIT excluding non-recurring items	-0.4	-0.9	-2.6
EBIT-%, excl. non-recurring items	-1.9	-4.1	-3.1
Non-recurring items	0.0	-3.0	-4.7
EBIT	-0.4	-3.9	-7.3
EBIT-%	-2.0	-17.7	-8.6
Net working capital	31.0	43.5	30.0
Number of personnel, average	448	525	492
Number of personnel, end of period	454	513	461

Services

EUR million	1-3/2013	1-3/2012	1-12/2012
External sales	7.2	8.3	30.8
Intersegment sales	0.5	0.2	1.5
Net sales	7.7	8.5	32.3

EBIT excluding non-recurring items	1.2	1.7	5.9
EBIT-%, excl. non-recurring items	15.6	20.5	18.3
Non-recurring items	0.0	-	-0.1
EBIT	1.2	1.7	5.8
EBIT-%	15.6	20.5	18.0
Net working capital	20.1	22.2	23.1
Number of personnel, average	134	128	129
Number of personnel, end of period	134	129	130

Glaston Group

Net sales

EUR million	1-3/2013	1-3/2012	1-12/2012
Machines	19.1	21.9	84.7
Services	7.7	8.5	32.3
Other and intersegment sales	-0.4	-0.2	-1.4
Glaston Group total	26.4	30.2	115.6

EBIT

EUR million	1-3/2013	1-3/2012	1-12/2012
Machines	-0.4	-0.9	-2.6
Services	1.2	1.7	5.9
Other and eliminations	-1.2	-1.6	-6.7
EBIT excluding non-recurring items	-0.4	-0.7	-3.4
Non-recurring items	3.7	-3.0	-5.4
EBIT, continuing operations	3.4	-3.7	-8.8
Net financial items	2.3	-1.5	-8.6
Result before income taxes from continuing operations	5.7	-5.2	-17.4
Income taxes from continuing operations	-1.0	0.2	-0.8
Result from continuing operations	4.7	-5.0	-18.2
Net discontinued operations	0.0	-0.3	-4.2
Net result	4.7	-5.3	-22.4
Number of personnel, average (continuing operations)	592	665	634
Number of personnel, end of period (continuing operations)	598	654	602

Segment assets

EUR million	31.3.2013	31.3.2012	31.12.2012
Machines	74.5	88.9	73.4
Services	29.2	29.4	29.0
Total segments	103.7	118.3	102.4
Unallocated and eliminations and adjustments	5.4	5.9	2.8
Total segment assets	109.1	124.2	105.2
Other assets	29.2	53.5	52.8
Total assets	138.3	177.7	158.0

Segment liabilities

EUR million	31.3.2013	31.3.2012	31.12.2012
Machines	43,5	45,4	43,4
Services	9,0	7,2	6,0
Total segments	52,6	52,6	49,4
Unallocated and eliminations and adjustments	2,0	1,6	2,3
Total segment liabilities	54,6	54,2	51,7
Other liabilities	30,1	76,2	75,6
Total liabilities	84,7	130,4	127,4

Net working capital

EUR million	31.3.2013	31.3.2012	31.12.2012
Machines	31,0	43,5	30,0
Services	20,1	22,2	23,1
Total segments	51,1	65,7	53,0
Unallocated and eliminations and adjustments	3,4	4,4	0,5
Total Glaston Group	54,5	70,0	53,5

Order intake (continuing operations)

EUR million	1-3/2013	1-3/2012	1-12/2012
Machines	21.4	20.7	86.3
Services	7.5	7.6	31.8
Total Glaston Group	28.8	28.3	118.1

Net sales by geographical areas (continuing operations)

EUR million	1-3/2013	1-3/2012	1-12/2012
EMEA	9.3	11.6	48.2
Asia	6.7	7.9	25.4
America	10.3	10.7	42.0
Total	26.4	30.2	115.6

QUARTERLY NET SALES, OPERATING RESULT, ORDER INTAKE AND ORDER BOOK**Machines**

EUR million	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012
External sales	19.1	22.7	18.4	21.7	21.9
Intersegment sales	0.0	0.0	0.0	0.0	0.0
Net sales	19.1	22.7	18.4	21.7	21.9
EBIT excluding non-recurring items	-0.4	0.5	-0.5	-1.7	-0.9
EBIT-%, excl. non-recurring items	-1.9	2.1	-2.5	-7.8	-4.1
Non-recurring items	0.0	-1.8	0.0	-	-3.0
EBIT	-0.4	-1.3	-0.5	-1.7	-3.9
EBIT-%	-2.0	-5.7	-2.5	-7.8	-17.7

Services

	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012
EUR million					
External sales	7.2	9.5	6.3	6.7	8.3
Intersegment sales	0.5	0.3	0.6	0.3	0.2
Net sales	7.7	9.9	6.8	7.0	8.5
EBIT excluding non-recurring items	1.2	2.0	1.2	1.0	1.7
EBIT-%, excl. non-recurring items	15.6	19.9	18.1	13.7	20.5
Non-recurring items	0.0	-0.1	-	-	-
EBIT	1.2	1.9	1.2	1.0	1.7
EBIT-%	15.6	18.8	18.1	13.7	20.5

Net sales

	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012
EUR million					
Machines	19.1	22.7	18.4	21.7	21.9
Services	7.7	9.9	6.8	7.0	8.5
Other and intersegment sales	-0.4	-0.3	-0.6	-0.3	-0.2
Glaston Group total	26.4	32.3	24.6	28.5	30.2

EBIT

	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012
EUR million					
Machines	-0.4	0.5	-0.5	-1.7	-0.9
Services	1.2	2.0	1.2	1.0	1.7
Other and eliminations	-1.2	-1.9	-1.2	-2.0	-1.6
EBIT excluding non-recurring items	-0.4	0.5	-0.4	-2.7	-0.7
Non-recurring items	3.7	-2.4	-	-	-3.0
EBIT	3.4	-1.9	-0.4	-2.7	-3.7

Order book (continuing operations)

	31.3. 2013	31.12. 2012	30.9. 2012	30.6. 2012	31.3. 2012
EUR million					
Machines	37.8	33.1	31.3	30.8	34.2
Services	1.6	1.1	4.0	3.3	1.1
Total Glaston Group	39.4	34.2	35.3	34.1	35.2

Order intake (continuing operations)

	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012
EUR million					
Machines	21.4	25.5	21.1	19.1	20.7
Services	7.5	7.9	7.3	9.1	7.6
Total Glaston Group	28.8	33.3	28.4	28.2	28.3

DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

Glaston announced in October 2012 that it was negotiating of sale of Software Solutions business area. Glaston published in November 2012 that it has signed a binding contract of the sale of the business area. The closing of the sale took place on 4 February, 2013. The result of Software Solutions business area as well as the result from the sale transaction is presented as profit / loss for the period from continuing operations.

Revenue, expenses and result of discontinued operations

EUR million	1-3/2013	1-3/2012	1-12/2012
Revenue	1.8	5.3	21.0
Expenses	-1.3	-5.5	-19.2
Gross profit	0.5	-0.2	1.7
Finance costs, net	0.0	0.0	0.0
Impairment loss recognized on the remeasurement to fair value less cost to sell	-	-	-5.2
Profit / loss before tax from discontinued operations	0.5	-0.2	-3.5
Current income tax	-0.1	-0.2	-0.7
Loss from disposal of discontinued operations	-0.4	-	-
Profit / loss from discontinued operations	0.0	-0.3	-4.2

Profit / loss from discontinued operations in 2012 include EUR 5.2 million goodwill impairment loss. The goodwill impairment loss arises from measurement of net assets held for sale to fair value less costs to sell.

Assets and liabilities of disposal group classified as held for sale

Assets and liabilities of disposal groups at 31, December 2012 included, in addition to assets and liabilities related to discontinued operations, also the real estate in Tampere, Finland, which Glaston had classified as non-current asset held for sale. The sale and leaseback transaction took place at the end of March 2013. The lease agreement arising from the transaction will be an operating lease.

	31.3.2013	31.3.2012	31.12.2012
Assets			
Goodwill	-	-	7.6
Other intangible assets	-	-	7.3
Tangible assets	-	-	9.6
Investments in associates	-	-	0.1
Available-for-sale assets	-	-	0.0
Deferred tax asset	-	-	0.0
Inventories	-	-	0.0
Assets for current tax	-	-	0.0
Trade and other receivables	-	-	5.0
Cash equivalents	-	-	0.3
Assets classified as held for sale	-	-	29.8
Liabilities			
Deferred tax liability	-	-	1.8
Non-current interest-free liabilities and provisions	-	-	0.1
Current provisions	-	-	0.4
Current interest-bearing liabilities	-	-	0.0
Trade and other payables	-	-	2.1

Liabilities for current tax	-	-	0.2
Liabilities related to assets held for sale	-	-	4.7

Net cash flows of discontinued operations

EUR million

	31.3.2013	31.3.2012	31.12.2012
Operating	1.0	0.8	2.8
Investing	-0.3	-0.8	-3.1
Financing	0.0	0.0	0.0
Net cash flow	0.6	0.0	-0.3

CONTINGENT LIABILITIES

EUR million	31.3.2013	31.3.2012	31.12.2012
Mortgages and pledges			
On own behalf	293.0	487.2	470.8
On behalf of others	0.1	0.1	0.1
Guarantees			
On own behalf	4.0	0.5	0.4
On behalf of others	0.0	0.0	0.0
Lease obligations	20.0	9.0	7.2
Other obligation on own behalf	-	0.7	0.5

Mortgages and pledges include EUR 89.4 million shares in group companies and EUR 35.7 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	31.3.2013		31.3.2012		31.12.2012	
	<u>Nominal value</u>	<u>Fair value</u>	<u>Nominal value</u>	<u>Fair value</u>	<u>Nominal value</u>	<u>Fair value</u>
Commodity derivatives						
Electricity forwards	0.3	0.0	0.2	0.0	0.3	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

EUR million

Changes in property, plant and equipment	1-3/ 2013	1-3/ 2012	1-12/ 2012
Carrying amount at beginning of the period	7.3	18.7	18.7
Additions	0.5	0.2	0.6
Disposals	0.0	-	-0.1
Depreciation and amortization	-0.3	-0.6	-2.2
Impairment losses and reversals of impairment losses	-	-	-
Reclassification and other changes	-	-	0.0
Transfer to / from assets held for sale	0.7	-	-9.7
Exchange differences	0.1	-0.1	-0.1
Carrying amount at end of the period	8.3	18.1	7.3

At the end of March 2013 or 2012 Glaston did not have of contractual commitments for the acquisition of property, plant and equipment.

SHAREHOLDER INFORMATION

20 largest shareholders 31 March, 2013

Shareholder	Number of shares	% of shares and votes
1 Etera Mutual Pension Insurance Company	26,764,885	13.82
2 Varma Mutual Pension Insurance Company	17,331,643	8.95
3 Suomen Teollisuussijoitus Oy	16,601,371	8.57
4 GWS Trade Oy	13,446,700	6.94
5 Oy G.W.Sohlberg Ab	12,819,400	6.62
6 Yleisradio Pension Foundation	10,481,369	5.41
7 Hymy Lahtinen Oy	10,320,000	5.33
8 Päivikki and Sakari Sohlberg Foundation	5,065,600	2.62
9 Oy Investsum Ab	3,480,000	1.80
10 Sumelius Bjarne Henning	2,593,733	1.34
11 Finnish Cultural Foundation	2,084,760	1.08
12 Sumelius-Fogelholm Birgitta Christina	1,994,734	1.03
13 Sumelius Bertil Christer	1,858,533	0.96
14 Von Christierson Charlie	1,600,000	0.83
15 Metsänen Arto Juhani	1,586,394	0.82
16 Oy Nissala Ab	1,500,000	0.77
17 Investment Fund Säästöpankki Pienyhtiöt	1,500,000	0.77
18 Oy Cacava Ab	1,400,000	0.72
19 Sumelius-Koljonen Barbro	1,350,238	0.70
20 Ehrnrooth Helene Margareta	1,350,000	0.70
20 largest shareholders total	135,129,360	69.78
Nominee registered shareholders	76,791	0.40
Other shares	58,502,185	29.82
Total	193,708,336	100.00

RELATED PARTY TRANSACTIONS

Glaston Group's related parties include the parent and subsidiaries. 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 related parties as with third parties.

Glaston had rented premises from companies owned by individuals belonging to the management. The rents paid correspond with the local level of rents. The related party connection ceased at 30 November, 2012. The lease payments were in January – March 2012 EUR 0.1 million.

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

Share-based payment plan

The Board of Directors of Glaston Corporation approved on 7 February 2013, a new share-based incentive plan for the Group key employees.

The new plan includes one performance period, beginning on 15 March 2013 and ending on 15 March 2014. The prerequisite for participation in the plan and for reward payment on the basis of the performance period was that a key employee subscribed Glaston shares in the share issue in March 2013. Rewards from the plan will be paid in the Glaston shares in April 2014 providing that the key employee's employment or service with the Group is in force and that he or she still owns the shares subscribed in the share issue. If the prerequisites for the reward payment are fulfilled, a key employee shall receive one matching share (gross) for every three shares subscribed in the share issue. The main principle is that no reward will be paid, if the key employee's employment or service ends before reward payment.

The plan is directed to approximately 28 people.

FINANCIAL INSTRUMENTS AT FAIR VALUE

Financial instruments at fair value include derivatives. Other financial instruments at fair value through profit or loss can include mainly Glaston's current investments, which are classified as held for trading, i.e. which have been acquired or incurred principally for the purpose of selling them in the near future. Also available-for-sale financial assets are measured at fair value.

Fair values of publicly traded derivatives are calculated based on quoted market rates at the end of the reporting period (fair value hierarchy, level 1). All Glaston's derivatives are publicly traded.

Listed investments are measured at the market price at the end of the reporting period (fair value hierarchy, level 2). Investments, for which fair values cannot be measured reliably, such as unlisted equities, are reported at cost or at cost less impairment (fair value hierarchy, level 3).

Fair value measurement hierarchy:

Level 1 = quoted prices in active markets

Level 2 = other than quoted prices included within Level 1 that are observable either directly or indirectly

Level 3 = not based on observable market data, fair value equals cost or cost less impairment.

During the reporting period there were no transfers between levels 1 and 2 of the fair value hierarchy.

During the reporting period there were no changes in the valuation techniques of levels 2 or 3 of the fair value

hierarchy.

Fair value hierarchy, level 3, changes during the reporting period

EUR million	2013	2012
1 January	0.3	0.3
Impairment	-	-
Transfers	-	-
31 March	0.3	0.3

Financial instruments measured at fair value and included in level 3 of fair value hierarchy had no effect on the profit or loss of the reporting period or on other comprehensive income. These financial instruments are not measured at fair value on recurring basis.

Fair value hierarchy, fair values

EUR million	31.3.2013	31.3.2012	31.12.2012
Available-for-sale shares			
Level 1	0.1	0.1	0.1
Level 3	<u>0.2</u>	<u>0.3</u>	<u>0.2</u>
	0.3	0.3	0.3
Derivatives			
Level 2	0.0	0.0	0.0