Glaston Interim Report 1 January – 30 June 2012

-Orders received in January-June totalled EUR 66.0 (75.5) million. Orders received in the second quarter were EUR 33.2 (36.7) million.
- The order book on 30 June 2012 was EUR 35.7 (38.7) million.
-Consolidated net sales in January-June totalled EUR 69.2 (75.9) million. Second-quarter net sales were EUR 33.7 (41.6) million.
- EBITDA was EUR 1.3 (4.3) million, i.e. 1.8 (5.6)% of net sales.
-The operating result excluding non-recurring items in January-June was a loss of EUR 2.4 (0.3 profit) million, i.e. -3.5 (0.4)% of net sales. The second-quarter operating result excluding non-recurring items was a loss of EUR 1.8 (1.2 profit) million.
- The operating result in January-June was a loss of EUR 5.7 (0.4 profit) million, i.e. -8.3 (0.5)% of net sales. The second-quarter operating result was a loss of EUR 1.8 (1.3 profit) million.
-Return on capital employed (ROCE) was -8.9 (0.4)%.
- January-June earnings per share were EUR -0.09 (-0.09).

President & CEO Arto Metsänen:
Owing to global economic uncertainty, market conditions remained challenging. Despite the difficult operating environment, Glaston managed to maintain its market position.

Glaston's second quarter was unsatisfactory. Economic uncertainty was reflected in business activity. Customers' caution was evident in delayed decision-making, with transactions being shifted to the latter part of the year, and in the postponement of orders already agreed. In larger investments, customers also had difficulties in financing the investments. In the second quarter, net sales totlled EUR 33.7 million and in January-June net sales were EUR 69.2 million. Our operating result excluding non-recurring items was a loss of EUR 2.4 million for the first six months of the year.

Despite the weak start to the year, we continue to believe that we will achieve our net sales and operating profit targets for the full year, due to our order book, competitive product range and cost-efficient operations.

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 second quarter of 2012 Glaston's market slowed. In Asia, market growth continued to level off. The EMEA market remained challenging due to the euro area's economic difficulties and the unstable political situation in the Middle East. No major changes occurred in the South American market. In North America, the glass processing machine market showed slight signs of recovery.

Machines
In the second quarter of 2012, the development of Machines segment's market in Asia continued to level off. The cautiously positive development of the North American market continued in the second quarter. The EMEA market was relatively stable, but the uncertain economic outlook in Europe led to the postponement of purchasing decisions. No major

changes occurred in the South American market.

In the second quarter of the year, the first sales of the Glaston RC200™ machine were made to the USA and Mexico, and the first Glaston CHF2000™ machine was sold to the USA. This continuously operating flat tempering machine has been designed particularly to meet the needs of solar energy and appliance industries. The launch of the new XtraEdge™ double edging machine continued in the second quarter of the year on a positive note. Significant sales were made in the Middle East, Italy and the UK. The new Hiyon™ edging machine was also launched at the Glass South America Fair in May, and the machine was well received by customers. After the fair, a number of sales were concluded in South America.

In January-June, the Machines segment’s net sales totalled EUR 43.6 (47.6) million. The operating result excluding non-recurring items was a loss of EUR 2.6 (1.7 loss) million.

Services

In the second quarter, machine modernisation services developed positively in the EMEA area, particularly in Russia and Turkey. In Central Europe, demand was centred especially on machine relocation services. In North America, customers were interested in upgrades that increased capacity and machine performance. In Asia, a new furnace chamber refurbishment package was well received .In South America, demand was focused on machine control system upgrades.

In the second quarter of the year, the revamped Glaston Care service agreement family, which contains four levels, was launched onto the market. The product family now covers the maintenance needs of glass processors of all sizes. The CareEasy™ contract is an easy way to begin regular and systematic maintenance. The Glaston Care™ level is a comprehensive, preventative maintenance programme. The CarePlus™ maintenance contract includes, in addition to the latter, extensive process consultation. The CareWarranty5™ servicecontract is a five-year warranty for new tempering machines.

The published products also include the machine relocation service GlastonMove™. Glaston is the only machine supplier to offer a complete turnkey relocation service package, which covers documentation, start-up and training. Customers can also select only parts of the service package.

The Services segment’s January-June net sales totalled EUR 15.5 (16.9) million and the operating result excluding non-recurring items was EUR 2.7 (3.8) million.

Software Solutions

In the second quarter of 2012, the Software Solutions segment’s market was challenging. Economic uncertainty in Europe extended customers' investment decision-making times and led to the postponement of orders. Price competition also intensified.

Cost-efficiency, energy saving and carbon footprint reduction are increasingly influencing customers’ investment decisions. In the review period, demand was directed at technical software systems, production planning systems and optimizers. Sales of maintenance contracts again developed in line with expectations during the second quarter. The Glass South America Fair, which was held in Sao Paolo, Brazil in May, showed that there are significant growth opportunities for the segment’s products in the South American market.

In the second quarter, a significant project for an integrated production planning system was agreed with the German company Glas Blessing. After a rigorous evaluation process, the customer opted for A+W Business and A+W Production solutions. A number of small and profitable service projects were also implemented in the review period. Consulting organization utilisation remained high during the second quarter.

An extensive operational development programme being implemented in the segment advanced during the second quarter to the implementation stage, and had a positive impact, particularly on the sales organisation and product development. The strong investment in developing new products, such as software tools and software architecture, continued.

The Software Solutions segment's January-June net sales totalled EUR 10.7 (12.2) million. The operating result excluding non-recurring items was EUR 1.1 (1.3) million.

Orders received
Glaston's orders received during the first six months of the year totalled EUR 66.0 (75.5) million. Of orders received, the Machines segment accounted for 60%, the Software Solutions segment 15% and the Services segment 25%.

Orders received during the second quarter of the year totalled EUR 33.2 (36.7) million.

Order book
Glaston's order book on 30 June 2012 stood at EUR 35.7 (38.7) million. Of the order book, the Machines segment accounted for EUR 30.8 million, the Services segment EUR 3.3 million and the Software Solutions segment EUR 1.6 million.

Order book, EUR million	30.6.2012	30.6.2011
Machines	30.8	35.4
Services	3.3	1.1
Software Solutions	1.6	2.2
Total	**35.7**	**38.7**

Net sales and operating result
Net sales for the review period totalled EUR 69.2 (75.9) million. The Machines segment's net sales in the first half of the year were EUR 43.6 (47.6) million, the Services segment's net sales EUR 15.5 (16.9) million and the Software Solutions segment's net sales EUR 10.7 (12.2) million.

April-June net sales totalled EUR 33.7 (41.6) million. The Machines segment's net sales in the second quarter were EUR 21.7 (27.6) million, the Services segment's net sales were EUR 7.0 (8.5) million and the Software Solutions' net sales were EUR 5.3 (6.2) million.

Net sales, EUR million	1-6/2012	1-6/2011	1-12/2011
Machines	43.6	47.6	90.0
Services	15.5	16.9	31.1
Software Solutions	10.7	12.2	23.1
Other and internal sales	-0.5	-0.9	-1.6
Total	**69.2**	**75.9**	**142.7**

The operating result excluding non-recurring items in January-June was a loss of EUR 2.4 (0.3 profit) million, i.e. -3.5 (0.4)% of net sales. The Machines segment's operating result excluding non-recurring items in January-June was a loss of EUR 2.6 (1.7 loss) million. The Services segment's operating result excluding non-recurring items was a profit of EUR 2.7 (3.8) million, and the Software Solutions' operating result excluding non-recurring items was a profit of EUR 1.1 (1.3) million.

The January-June operating result was a loss of EUR 5.7 (0.4 profit) million. Non-recurring items of EUR -3.3 million were recognised in the first quarter of the year.

The second-quarter operating result excluding non-recurring items was a loss of EUR 1.8 (1.2 profit) million, i.e. -5.4 (2.9)% of net sales.The Machines segment's operating result excluding non-recurring items in April-June was a loss of EUR 1.7 (0.2 profit) million. The Services segment's operating result excluding non-recurring items was a profit of EUR 1.0 (2.3) million, and the Software Solutions segments' operating result excluding non-recurring items was a profit of EUR 0.9 (0.3) million.

The second-quarter operating result was a loss of EUR 1.8 (1.3 profit) million.

Glaston's net financial expenses were EUR -3.4 (-7.6) million. The previous year's financial expenses were elevated by, among other things, expenses arising from the conversion of the convertible bond. Second-quarter net financial expenses were EUR -1.9 (-1.3) million.

The result for the review period was a loss of EUR 9.3 (8.7 loss) million and earnings per share were EUR -0.09 (-0.09).The result for the second quarter was a loss of EUR 4.1 (0.6 loss) million and earnings per share were EUR -0.04 (0.00).

Return on capital employed (ROCE) in January-June was -8.9 (0.4)%.

Adjustment measures
In the second quarter, production capacity in Asia was adjusted to correspond with demand through a reduction in personnel numbers. Adjustment measures, primarily personnel reductions, were also implemented in Brazil. In Italy, temporary layoffs of personnel continued.

The implementation of the Software Solutions segment's operational development programme continued in the second quarter, with the focus being on the sales organisation and product development. The number of personnel was also reduced.

Financial position, cash flow and financing
At the end of the review period, the consolidated asset total was EUR 172.3 (194.0) million. The equity attributable to owners of the parent was EUR 43.9 (57.7) million, i.e. EUR 0.42 (0.55) per share. The equity ratio on 30 June 2012 was 27.8 (31.9)%.The equity ratio on 31 December 2011 was 31.1%.Net gearing was 125.9 (93.4)% (on 31 December 2011: 93.5%).

Return on equity in January-June was -38.2 (-35.7)%.

Cash flow from operating activities, before the change in working capital, was EUR 0.6 (-3.9) million in the review period.The change in working capital was EUR -3.0 (0.6) million. Cash flow from investments was EUR -3.0 (-2.3) million. Cash flow from financing activities in January-June was EUR -1.9 (10.6) 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 3.0 (2.5) million. In the review period, there were no significant individual investments; the biggest investments were capitalisations of

product development expenditure.

In the review period, depreciation and amortisation on property, plant and equipment, and on intangible assets totalled EUR 4.0 (3.8) million. A EUR 3.0 million goodwill impairment loss, directed at the Machines segment, was recognised in the first quarter.

Organisation and personnel
In June, Glaston announced changes in its Executive Management Group. Roberto Quintero was appointed Senior Vice President, Machines Business Area, Pre-processing and Tools product lines, and he also became a member of Glaston’s Executive Management Group. Juha Liettyä, formerly Senior Vice President, Services, was appointed Senior Vice President, Machines Business Area, Heat Treatment product line, and Pekka Huuhka, formerly Senior Vice President, Supply Chain was appointed Senior Vice President, Services.
The appointments were effective from 1 July 2012.

On 30 June 2012, Glaston had a total of 813 (907) employees. Of the Group’s employees, 19% worked in Finland and 41% elsewhere in the EMEA area, 25% in Asia and 15% in the Americas. In the review period, the average number of employees was 837 (912).

Shares and share price
Glaston Corporation’s paid and registered share capital on 30 June 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 June, 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 six months of the year, a total of around 11.1 million of the company’s shares were traded, i.e. around 10.6% of the total number of shares. The lowest price paid for a share was EUR 0.24 and the highest price EUR 0.74.The volume-weighted average price of shares traded during January-June was EUR 0.46.The closing price on 30 June 2012 was EUR 0.27.

On 30 June 2012, the market capitalisation of the company’s shares, treasury shares excluded, was EUR 28.3 (106.9) million. The equity per share attributable to owners of the parent was EUR 0.42 (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.

Uncertainties and risks in the near future
Glaston's uncertainties and risks in the near future are to a large extent linked to the development of the world economy. In addition, political instability, particularly in the Middle East, will affect the development of the EMEA area. Slower economic growth may continue to result in the postponement of orders and changes in machine delivery schedules. Customers’ difficulties relating to finance arrangements may restrict customers’ investment

opportunities. These might be reflected in the development of the latter part of the year.

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 financial impact 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 markets will remain challenging in the latter part of 2012.Growth in the Asian market has clearly levelled off in the early part of the year and we expect this trend to continue in the latter part of the year. In the South American market, we expect cautiously positive development. The North American market continues to show signs of recovery, and we believe this positive trend will continue. In the EMEA area, the market will continue to be challenging.

The cornerstones of Glaston's operations remain the architectural glass segment and the solar energy market. The architectural glass 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.

The prevailing uncertainty in the operating environment combined with customers' investment caution will result in more intense competition. Despite the difficult operating conditions, we believe that the positive development in the Services and Software Solutions segments will continue during the latter part of the year. We will continue to invest heavily in these areas. In the Machines segment, market uncertainty will be reflected most strongly in larger machine orders. Due to our existing order book and to sales transferred from the early part of the year, we continue to believe that we will achieve our target for the full year. It is typical for the sector that deliveries are weighted towards the final quarter of the year.

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, 8 August 2012

Glaston Corporation
Board of Directors

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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

GLASTON CORPORATION
CONDENSED FINANCIAL STATEMENTS AND NOTES 1 JANUARY - 30 JUNE 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	30.6.2012	30.6.2011	31.12.2011
Assets			
Non-current assets			
Goodwill	49.6	52.6	52.6
Other intangible assets	18.1	18.5	18.2
Property, plant and equipment	17.8	18.9	18.7
Investments in joint ventures and associates	0.1	0.0	0.1
Available-for-sale assets	0.3	0.3	0.3
Loan receivables	4.5	4.5	4.4
Deferred tax assets	6.9	8.0	6.9
Total non-current assets	**97.3**	**102.8**	**101.2**
Current assets			
Inventories	27.5	26.0	25.2
Receivables			
Trade and other receivables	35.7	44.9	40.8
Assets for current tax	0.7	0.7	1.3
Total receivables	36.4	45.6	42.1
Cash equivalents	11.1	19.7	18.6
Total current assets	**75.0**	**91.3**	**86.0**
Total assets	**172.3**	**194.0**	**187.2**

	30.6.2012	30.6.2011	31.12.2011
Equity and liabilities			
Equity			
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	0.0	0.0	0.0
Other unrestricted equity reserves	0.1	-	-
Retained earnings and exchange differences	-8.4	4.8	5.7
Net result attributable to owners of the parent	-9.3	-8.7	-14.4
Equity attributable to owners of the parent	**43.9**	**57.7**	**52.8**
Non-controlling interest	**0.3**	**0.3**	**0.3**
Total equity	**44.2**	**58.0**	**53.2**

seeing it through

Non-current liabilities			
Convertible bond	8.1	7.8	7.9
Non-current interest-bearing liabilities	34.1	44.0	37.7
Non-current interest-free liabilities and provisions	2.2	4.0	2.0
Deferred tax liabilities	3.1	4.2	3.6
Total non-current liabilities	**47.5**	**60.0**	**51.2**
Current liabilities			
Current interest-bearing liabilities	24.6	22.1	22.6
Current provisions	4.1	4.1	4.1
Trade and other payables	51.6	49.1	55.3
Liabilities for current tax	0.3	0.8	0.7
Total current liabilities	**80.6**	**76.1**	**82.8**
Total liabilities	**128.1**	**136.1**	**134.0**
Total equity and liabilities	**172.3**	**194.0**	**187.2**

CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	4-6/ 2012	4-6/ 2011	1-6/ 2012	1-6/ 2011	1-12/ 2011
Net sales	**33.7**	**41.6**	**69.2**	**75.9**	**142.7**
Other operating income	0.2	0.2	0.4	0.4	0.9
Expenses	-33.7	-38.6	-68.4	-72.0	-136.5
Share of associates and joint ventures' result	0.0	-	0.0	-	0.0
Depreciation, amortization and impairment	-2.0	-2.0	-7.0	-3.9	-8.1
Operating result	**-1.8**	**1.3**	**-5.7**	**0.4**	**-1.1**
Financial items, net	-1.9	-1.3	-3.4	-7.6	-10.8
Result before income taxes	**-3.7**	**0.0**	**-9.1**	**-7.2**	**-11.8**
Income taxes	-0.3	-0.6	-0.2	-1.5	-2.6
Profit / loss for the period	**-4.0**	**-0.6**	**-9.3**	**-8.7**	**-14.4**
Attributable to:					
Owners of the parent	-3.9	-0.6	-9.3	-8.7	-14.4
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
Total	**-4.0**	**-0.6**	**-9.3**	**-8.7**	**-14.4**
Earnings per share, EUR, basic	**-0.04**	**0.00**	**-0.09**	**-0.09**	**-0.14**
Earnings per share, EUR, diluted	**-0.04**	**0.00**	**-0.09**	**-0.09**	**-0.14**
Operating result, as % of net sales	-5.4	3.1	-8.3	0.5	-0.8
Profit / loss for the period, as % of net sales	-11.8	-1.4	-13.4	-11.5	-10.1
Non-recurring items included in operating result	0.0	0.1	-3.3	0.1	0.3
Operating result, non-recurring items excluded	-1.8	1.2	-2.4	0.3	-1.4
Operating result, non-recurring items excluded, as % of net sales	-5.4	2.9	-3.5	0.4	-1.0

CONSOLIDATED STATEMENT OF COMPEREHENSIVE INCOME

	4-6/ 2012	4-6/ 2011	1-6/ 2012	1-6/ 2011	1-12/ 2011
Profit / loss for the period	**-4.0**	**-0.6**	**-9.3**	**-8.7**	**-14.4**
Other comprehensive income					
Total exchange differences on translating foreign operations	0.6	-0.1	0.3	-0.7	0.5
Fair value changes of available-for-sale assets	0.0	0.0	0.0	0.0	0.0
Income tax on other comprehensive income	0.0	0.0	0.0	0.0	0.0
Other comprehensive income for the reporting period, net of tax	**0.6**	**-0.1**	**0.3**	**-0.7**	**0.5**
Total comprehensive income for the reporting period	**-3.3**	**-0.7**	**-9.0**	**-9.4**	**-14.0**
Attributable to					
Owners of the parent	-3.3	-0.7	-8.9	-9.4	-14.0
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the reporting period	**-3.3**	**-0.7**	**-9.0**	**-9.4**	**-14.0**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1-6/2012	1-6/2011	1-12/2011
Cash flows from operating activities			
Cash flow before change in net working capital	0.6	-3.9	-7.7
Change in net working capital	-3.0	0.6	12.2
Net cash flow from operating activities	**-2.4**	**-3.3**	**4.4**
Cash flow from investing activities			
Business combinations	-	-	0.0
Other purchases of non-current assets	-3.0	-2.5	-5.7
Proceeds from sale of other non-current assets	0.0	0.2	0.2
Net cash flow from investing activities	**-3.0**	**-2.3**	**-5.5**
Cash flow before financing	**-5.4**	**-5.6**	**-1.1**
Cash flow from financing activities			
Share issue and conversion of convertible bond, net	-	5.8	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	4.7	19.9	34.9
Decrease in short-term liabilities	-5.1	-61.2	-81.5
Other financing	0.0	0.0	0.0
Net cash flow from financing activities	**-1.9**	**10.6**	**3.8**
Effect of exchange rate changes	**-0.2**	**-1.0**	**0.2**
Net change in cash and cash equivalents	**-7.5**	**4.0**	**2.9**
Cash and cash equivalents at the beginning of period	18.6	15.7	15.7
Cash and cash equivalents at the end of	11.1	19.7	18.6

period			
Net change in cash and cash equivalents	**-7.5**	**4.0**	**2.9**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Share premium account	Other restricted equity reserves	Reserve for invested unrest. equity	Treasury shares	Fair value reserve
Equity at 1 January, 2011	**12.7**	**25.3**	**0.0**	**0.1**	**-3.3**	**0.0**
Total comprehensive income for the period	-	-	0.0	-	-	0.0
Share issue	-	-	-	5.9	-	-
Conversion of convertible bond	-	-	-	20.8	-	-
Equity at 30 June, 2011	**12.7**	**25.3**	**0.0**	**26.8**	**-3.3**	**0.0**

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	**12.7**	**25.3**	**0.0**	**26.8**	**-3.3**	**0.0**
Total comprehensive income for the period	-	-	0.0	-	-	0.0
Reclassific.	-	-	0.0	-	-	-
Equity at 30 June, 2012	**12.7**	**25.3**	**0.0**	**26.8**	**-3.3**	**0.0**

EUR million	Retained earnings	Exchange diff.	Equity attr. to owners of the parent	Non-controll. interest	Total equity
Equity at 1 January, 2011	**4.6**	**-0.3**	**39.1**	**0.3**	**39.5**
Total comprehensive income for the period	-8.7	-0.7	-9.4	0.0	-9.4
Share-based incentive plan	0.2	-	0.2	-	0.2
Share-based incentive plan, tax effect	0.0	-	0.0	-	0.0
Share issue	-	-	5.9	-	5.9
Conversion of convertible bond	-2.3	-	18.5	-	18.5
Cost effect of the share price compensation related to convertible bond	3.4	-	3.4	-	3.4

conversion					
Equity at 30 June, 2011	**-2.8**	**-1.0**	**57.7**	**0.3**	**58.0**

EUR million	**Other unrestr. equity reserves**	**Retained earnings**	**Exchange diff.**	**Equity attr. to owners of the parent**	**Non-contr. interest**	**Total equity**
Equity at 1 January, 2012	**-**	**-8.4**	**-0.3**	**52.8**	**0.3**	**53.2**
Total comprehensive income for the period	-	-9.3	0.3	-8.9	0.0	-9.0
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
Equity at 30 June, 2012	**0.1**	**-17.7**	**0.1**	**43.9**	**0.3**	**44.2**

KEY RATIOS

	30.6.2012	**30.6.2011**	**31.12.2011**
EBITDA, as % of net sales [1]	1.8	5.6	4.9
Operating result (EBIT), as % of net sales	-8.3	0.5	-0.8
Profit / loss for the period, as % of net sales	-13.4	-11.5	-10.1
Gross capital expenditure, EUR million	3.0	2.5	5.7
Gross capital expenditure, as % of net sales	4.4	3.3	4.0
Equity ratio, %	27.8	31.9	31.1
Gearing, %	151.1	127.4	128.5
Net gearing, %	125.9	93.4	93.5
Net interest-bearing debt, EUR million	55.6	54.2	49.7
Capital employed, end of period, EUR million	111.0	131.8	121.4
Return on equity, %, annualized	-38.2	-35.7	-31.2
Return on capital employed, %, annualized	-8.9	0.4	0.3
Number of personnel, average	837	912	899
Number of personnel, end of period	813	907	870

[1] EBITDA = Operating result + depreciation, amortization and impairment.

PER SHARE DATA

	30.6.2012	**30.6.2011**	**31.12.2011**
Number of registered shares, end of period, treasury shares excluded (1,000)	104,800	104,800	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	96,785	100,826

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Number of shares, dilution effect of the convertible bond taken into account, average, adjusted with share issue, treasury shares excluded (1,000)	111,531	109,528	110,538
EPS, basic, adjusted with share issue, EUR	-0.09	-0.09	-0.14
EPS, diluted, adjusted with share issue, EUR	-0.09	-0.09	-0.14
Adjusted equity attributable to owners of the parent per share, EUR	0.42	0.55	0.50
Price per adjusted earnings per share (P/E) ratio	-3.1	-11.4	-3.1
Price per adjusted equity attributable to owners of the parent per share	0.64	1.85	0.89
Market capitalization of registered shares, EUR million	28.3	106.9	47.2
Share turnover, % (number of shares traded, % of the average registered number of shares)	10.6	4.4	8.5
Number of shares traded, (1,000)	11,132	4,135	8,447
Closing price of the share, EUR	0.27	1.02	0.45
Highest quoted price, EUR	0.74	1.27	1.27
Lowest quoted price, EUR	0.24	0.87	0.40
Volume-weighted average quoted price, EUR	0.46	1.09	0.84

DEFINITIONS OF KEY RATIOS

Definitions of key ratios are presented in 2011 financial statements as well as in January – March 2012 interim report.

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 certain new or revised or amended standards and interpretations which have been applied from 1 January, 2012. These amended standards and interpretations are presented in 2011 financial statements as well as in January – March 2012 interim report.

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.

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	**4-6/ 2012**	**4-6/ 2011**	**1-6/ 2012**	**1-6/ 2011**	**1-12/ 2011**
External sales	21.7	27.4	43.6	47.5	89.8
Intersegment sales	0.0	0.2	0.0	0.2	0.2
Net sales	**21.7**	**27.6**	**43.6**	**47.6**	**90.0**
EBIT excluding non-recurring items	**-1.7**	**0.2**	**-2.6**	**-1.7**	**-1.9**
EBIT-%, excl. non-recurring items	-7.8	0.6	-5.9	-3.6	-2.1
Non-recurring items	-	-	-3.0	-	0.2
EBIT	**-1.7**	**0.2**	**-5.6**	**-1.7**	**-1.7**
EBIT-%	-7.8	0.6	-12.8	-3.6	-1.9
Net working capital			43.9	54.0	47.9
Number of personnel, average			507	561	557
Number of personnel, end of period			489	571	541

Services

EUR million	**4-6/ 2012**	**4-6/ 2011**	**1-6/ 2012**	**1-6/ 2011**	**1-12/ 2011**
External sales	6.7	8.1	14.9	16.2	29.9
Intersegment sales	0.3	0.4	0.5	0.6	1.2
Net sales	**7.0**	**8.5**	**15.5**	**16.9**	**31.1**
EBIT excluding non-recurring items	**1.0**	**2.3**	**2.7**	**3.8**	**5.6**
EBIT-%, excl. non-recurring items	13.7	26.8	17.4	22.6	17.9
Non-recurring items	-	0.1	-	0.1	0.1
EBIT	**1.0**	**2.3**	**2.7**	**3.9**	**5.7**
EBIT-%	13.7	27.5	17.4	23.0	18.4
Net working capital			22.0	22.9	21.9
Number of personnel, average			124	135	127
Number of personnel, end of period			125	124	117

Software Solutions

EUR million	4-6/ 2012	4-6/ 2011	1-6/ 2012	1-6/ 2011	1-12/ 2011
External sales	5.3	6.1	10.6	12.1	23.0
Intersegment sales	0.0	0.0	0.0	0.1	0.1
Net sales	**5.3**	**6.2**	**10.7**	**12.2**	**23.1**
Share of associates' and joint ventures' results	0.0	-	0.0	-	0.0
EBIT excluding non-recurring items	**0.9**	**0.3**	**1.1**	**1.3**	**1.7**
EBIT-%, excl. non-recurring items	17.4	5.3	10.3	10.8	7.5
Non-recurring items	0.0	0.0	-0.3	0.0	0.0
EBIT	**0.9**	**0.4**	**0.8**	**1.4**	**1.8**
EBIT-%	17.6	6.0	7.2	11.1	7.7
Net working capital			21.2	20.3	20.4
Number of personnel, average			193	201	202
Number of personnel, end of period			186	199	200

Glaston Group
EUR million

Net sales	4-6/ 2012	4-6/ 2011	1-6/ 2012	1-6/ 2011	1-12/ 2011
Machines	21.7	27.6	43.6	47.6	90.0
Services	7.0	8.5	15.5	16.9	31.1
Software Solutions	5.3	6.2	10.7	12.2	23.1
Other and intersegment sales	-0.3	-0.6	-0.5	-0.9	-1.6
Glaston Group total	**33.7**	**41.6**	**69.2**	**75.9**	**142.7**

EBIT	4-6/ 2012	4-6/ 2011	1-6/ 2012	1-6/ 2011	1-12/ 2011
Machines	-1.7	0.2	-2.6	-1.7	-1.9
Services	1.0	2.3	2.7	3.8	5.6
Software Solutions	0.9	0.3	1.1	1.3	1.7
Other and eliminations	-2.0	-1.6	-3.6	-3.1	-6.8
EBIT excluding non-recurring items	**-1.8**	**1.2**	**-2.4**	**0.3**	**-1.4**
Non-recurring items	0.0	0.1	-3.3	0.1	0.3
EBIT	**-1.8**	**1.3**	**-5.7**	**0.4**	**-1.1**
Net financial items	-1.9	-1.3	-3.4	-7.6	-10.8
Result before income taxes and non-controlling interest	**-3.7**	**0.0**	**-9.1**	**-7.2**	**-11.8**
Income taxes	-0.3	-0.6	-0.2	-1.5	-2.6
Result	**-4.0**	**-0.6**	**-9.3**	**-8.7**	**-14.4**
Number of personnel, average			837	912	899
Number of personnel, end of period			813	907	870

Segment assets	**30.6.2012**	**30.6.2011**	**31.12.2011**
Machines	88.5	97.8	94.5
Services	28.4	29.4	28.9
Software Solutions	25.1	24.5	25.1
Other	4.8	6.2	5.3
Total segment assets	**146.9**	**157.9**	**153.8**

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Other assets	25.4	36.2	33.3
Total assets	**172.3**	**194.0**	**187.2**

Segment liabilities	**30.6.2012**	**30.6.2011**	**31.12.2011**
Machines	44.6	43.7	46.6
Services	6.4	6.5	6.9
Software Solutions	3.9	4.2	4.8
Other	2.2	1.3	1.8
Total segment liabilities	**57.1**	**55.7**	**60.1**
Other liabilities	71.0	80.3	73.9
Total liabilities	**128.1**	**136.1**	**134.0**

Net working capital	**30.6.2012**	**30.6.2011**	**31.12.2011**
Machines	43.9	54.0	47.9
Services	22.0	22.9	21.9
Software Solutions	21.2	20.3	20.4
Other	2.6	4.9	3.5
Total Glaston Group	**89.8**	**102.1**	**93.7**

Net sales by geographical areas

EUR million	**1-6/2012**	**1-6/2011**	**1-12/2011**
EMEA	33.6	34.5	68.1
Asia	15.4	20.2	33.6
America	20.2	21.1	41.0
Total	**69.2**	**75.9**	**142.7**

Order intake

EUR million	**1-6/2012**	**1-6/2011**	**1-12/2011**
Machines	39.8	47.1	89.2
Services	16.6	16.7	31.3
Software Solutions	9.7	11.8	20.9
Total Glaston Group	**66.0**	**75.5**	**141.3**

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

Machines

EUR million	**4-6/ 2012**	**1-3/ 2012**	**10-12/ 2011**	**7-9/ 2011**	**4-6/ 2011**	**1-3/ 2011**
External sales	21.7	21.9	26.1	16.2	27.4	20.1
Intersegment sales	0.0	0.0	0.1	0.0	0.2	0.0
Net sales	**21.7**	**21.9**	**26.2**	**16.2**	**27.6**	**20.1**
EBIT excluding non-recurring items	**-1.7**	**-0.9**	**1.5**	**-1.7**	**0.2**	**-1.9**
EBIT-%, excl. non-recurring items	-7.8	-4.1	5.6	-10.5	0.6	-9.2
Non-recurring items	-	-3.0	0.2	-	-	-
EBIT	**-1.7**	**-3.9**	**1.7**	**-1.7**	**0.2**	**-1.9**
EBIT-%	-7.8	-17.7	6.3	-10.5	0.6	-9.2

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Services

EUR million	4-6/ 2012	1-3/ 2012	10-12/ 2011	7-9/ 2011	4-6/ 2011	1-3/ 2011
External sales	6.7	8.3	7.6	6.1	8.1	8.1
Intersegment sales	0.3	0.2	0.4	0.2	0.4	0.2
Net sales	**7.0**	**8.5**	**7.9**	**6.3**	**8.5**	**8.3**
EBIT excluding non-recurring items	**1.0**	**1.7**	**0.9**	**0.9**	**2.3**	**1.5**
EBIT-%, excl. non-recurring items	13.7	20.5	11.0	14.0	26.8	18.4
Non-recurring items	-	-	0.0	0.0	0.1	-
EBIT	**1.0**	**1.7**	**0.9**	**0.9**	**2.3**	**1.5**
EBIT-%	13.7	20.5	11.4	14.8	27.5	18.4

Software Solutions

EUR million	4-6/ 2012	1-3/ 2012	10-12/ 2011	7-9/ 2011	4-6/ 2011	1-3/ 2011
External sales	5.3	5.4	5.6	5.3	6.1	6.0
Intersegment sales	0.0	0.0	0.0	0.0	0.0	0.0
Net sales	**5.3**	**5.4**	**5.6**	**5.3**	**6.2**	**6.0**
Share of associates' and joint ventures' results	0.0	-	-	0.0	-	-
EBIT excluding non-recurring items	**0.9**	**0.2**	**0.8**	**-0.3**	**0.3**	**1.0**
EBIT-%, excl. non-recurring items	17.4	3.3	13.4	-6.3	5.3	16.4
Non-recurring items	0.0	-0.3	-	0.0	0.0	-
EBIT	**0.9**	**-0.2**	**0.8**	**-0.3**	**0.4**	**1.0**
EBIT-%	17.6	-3.1	13.4	-6.3	6.0	16.4

Net sales

EUR million	4-6/ 2012	1-3/ 2012	10-12/ 2011	7-9/ 2011	4-6/ 2011	1-3/ 2011
Machines	21.7	21.9	26.2	16.2	27.6	20.1
Services	7.0	8.5	7.9	6.3	8.5	8.3
Software Solutions	5.3	5.4	5.6	5.3	6.2	6.0
Other and intersegment sales	-0.3	-0.2	-0.5	-0.2	-0.6	-0.2
Glaston Group total	**33.7**	**35.5**	**39.3**	**27.5**	**41.6**	**34.2**

EBIT

EUR million	4-6/ 2012	1-3/ 2012	10-12/ 2011	7-9/ 2011	4-6/ 2011	1-3/ 2011
Machines	-1.7	-0.9	1.5	-1.7	0.2	-1.9
Services	1.0	1.7	0.9	0.9	2.3	1.5
Software Solutions	0.9	0.2	0.8	-0.3	0.3	1.0
Other and eliminations	-2.0	-1.6	-2.2	-1.4	-1.6	-1.6
EBIT excluding non-recurring items	**-1.8**	**-0.6**	**0.9**	**-2.6**	**1.2**	**-0.9**
Non-recurring items	0.0	-3.3	0.2	0.0	0.1	-
EBIT	**-1.8**	**-3.9**	**1.1**	**-2.5**	**1.3**	**-0.9**

Order book	**30.6.**	**31.3.**	**31.12.**	**30.9.**	**30.6.**	**31.3.**

	2012	2012	2011	2011	2011	2011
Machines	30.8	34.2	34.6	33.1	35.4	40.2
Services	3.3	1.1	1.2	1.4	1.1	1.7
Software Solutions	1.6	1.5	1.8	2.2	2.2	2.5
Total Glaston Group	**35.7**	**36.7**	**37.6**	**36.7**	**38.7**	**44.3**

Order intake

EUR million	4-6/ 2012	1-3/ 2012	10-12/ 2011	7-9/ 2011	4-6/ 2011	1-3/ 2011
Machines	19.1	20.7	26.9	15.2	23.1	24.0
Services	9.1	7.5	8.0	6.7	8.0	8.7
Software Solutions	5.1	4.6	4.8	5.0	5.7	5.4
Total Glaston Group	**33.2**	**32.8**	**39.7**	**26.8**	**36.7**	**38.1**

CONTINGENT LIABILITIES

EUR million	30.6.2012	30.6.2011	31.12.2011
Mortgages and pledges			
On own behalf	488.4	519.5	490.1
On behalf of others	0.1	0.2	0.1
Guarantees			
On own behalf	0.8	0.2	0.5
On behalf of others	0.0	0.0	0.0
Lease obligations	8.4	11.0	9.6
Repurchase obligations	-	0.2	-
Other obligation on own behalf	0.6	0.0	0.8

Mortgages and pledges include EUR 111.7 million shares in group companies and EUR 41.2 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	30.6.2012		30.6.2011		31.12.2011	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Currency derivatives						
Currency forwards	-	-	0.1	0.0	-	-
Commodity derivatives						
Electricity forwards	0.2	0.0	0.2	0.1	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

EUR million

Changes in property, plant and equipment	1-6/2012	1-6/2011	1-12/2011
Carrying amount at beginning of the period	18.7	19.5	19.5
Additions	0.3	0.5	1.2
Disposals	-0.0	-0.2	-0.2
Depreciation and amortization	-1.2	-1.3	-2.5
Impairment losses and reversals of impairment losses	-	0.0	-0.1
Reclassification and other changes	-	0.6	0.6
Exchange differences	0.0	-0.2	0.2
Carrying amount at end of the period	17.8	18.9	18.7

At the end of June 2012 Glaston did not have of contractual commitments for the acquisition of property, plant and equipment. At the end of June 2011 Glaston had EUR 0.1 million of contractual commitments for the acquisition of property, plant and equipment.

SHAREHOLDER INFORMATION
20 largest shareholders 30 June, 2012

	Shareholders	**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 Teollisuussijoitus Oy	9,049,255	8.57
5	Sumelius Bjarne Henning	2,164,733	2.05
6	Sumelius Bertil Christer	2,018,533	1.91
7	Oy Investsum Ab	1,820,000	1.72
8	Sumelius-Fogelholm Birgitta Christina	1,754,734	1.66
9	Von Christierson Charlie	1,600,000	1.52
10	Nordea Pro Finland Fund	1,210,000	1.15
11	Sumelius-Koljonen Barbro	1,175,238	1.11
12	Fennia Life Insurance Company	1,140,000	1.08
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	Nordea Life Assurance Finland Ltd	850,000	0.81
17	Huber Karin	800,800	0.76
18	Evli Alexander Management Oy	788,582	0.75
19	Drumbo Oy	750,000	0.71
20	Investment Fund Aktia Capital	734,574	0.70
	20 largest shareholders total	64,654,629	61.23
	Nominee registered shareholders	544,677	0.52
	Other shares	40,389,330	38.25
	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 consider 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 – June EUR 0.3 (0.3) million.

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