

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

Glaston Interim Report 1 January – 30 June 2013

- Orders received in January-June totalled EUR 55.8 (56.4) million. Orders received in the second quarter were EUR 26.9 (28.2) million.
- The order book on 30 June 2013 was EUR 33.8 (34.1) million.
- Consolidated net sales in January-June totalled EUR 60.1 (58.7) million. Second-quarter net sales were EUR 33.7 (28.5) million.
- EBITDA was EUR 6.8 (-0.8) million, i.e. 11.2 (-1.3)% of net sales.
- The operating result, excluding non-recurring items, in January-June was a profit of EUR 0.7 (3.5 loss) million, i.e. 1.2 (-5.9)% of net sales. The second-quarter operating result, excluding non-recurring items, was a profit of EUR 1.1 (2.7 loss) million.
- The operating result in January-June was a profit of EUR 4.5 (6.5 loss) million, i.e. 7.4 (-11.0)% of net sales. The second-quarter operating result was a profit of EUR 1.1 (2.7 loss) million.
- Continuing Operations' return on capital employed (ROCE) was 16.8 (-10.2)%.
- Continuing Operations' January-June earnings per share were EUR 0.03 (-0.09). Continuing and Discontinued Operations' earnings per share totalled EUR 0.03 (-0.08).
- Glaston's interest-bearing net debt totalled EUR 12.3 (55.6) million.
- Glaston adjusts its outlook and expects 2013 net sales to be on the 2012 level and both the EBIT excluding non-recurring items and EBIT to be positive.

Adjustment to outlook for 2013

Glaston adjusts its outlook for 2013. We expect 2013 net sales to be on the 2012 level and both the EBIT excluding non-recurring items and EBIT to be positive. (Earlier forecast: Glaston expects 2013 net sales to be on the 2012 level and EBIT to be positive.)

President & CEO Arto Metsänen:

"Despite market uncertainty, Glaston's second quarter went according to our expectations.

Glaston's net sales in the review period totalled EUR 60.1 million, slightly higher than the previous year. Glaston's machine sales in Asia exceeded expectations. The North American market was rather buoyant. In the EMEA area, our sales were at the previous year's level, with the focus of orders being in the Central Europe and in the United Kingdom. In the Middle Eastern market, there was clear growth in activity, but the political uncertainty has slowed decision-making. We expect the positive development of the heat treatment machine market to continue also during the latter part of the year.

With respect to the Services segment, it is notable that, after a challenging first quarter, sales picked up in the second quarter and the segment's operating profit rose by 20% compared with the previous year.

Now that our financial position has been strengthened, Glaston's main goal for 2013 is a positive operating result. The January-June operating result, excluding non-recurring items, was EUR 0.7 million. The second-quarter operating result, excluding non-recurring items, was a profit of EUR 1.1 million, with the comparison figure being a EUR 2.7 million loss. I am particularly satisfied that the impact of the adjustment programme implemented at the end of last year is now fully realised in the result."

Markets

In the second quarter of 2013, a cautiously positive development of Glaston's markets was evident. The recovery of the North American market continued, boosted by a pick-up in the construction industry. Stable development of the South American market continued. The EMEA area, which is Glaston's biggest market area, remained challenging, as in previous review periods.

Machines

The Machines segment's first part of the year went to according to plan with respect to heat treatment machines. The market for pre-processing machines continued to be challenging as price competition intensifies.

In the second quarter, the pick-up in the heat treatment machine market continued and positive development was evident in North America and Asia. For pre-processing machines, demand in South America and in the EMEA area was on a good level. In North America and in Asia, demand for pre-processing machines was weaker.

The second quarter saw the launch of the technologically advanced GlastonAir™ flat tempering machine, in which glass is supported by hot air instead of rollers. The main advantage of air flotation is uniform support, which facilitates the tempering of glass as thin as 2 mm without compromising optical quality. Another new product launch was IriControl™ technology, with which glass processors can measure and minimise so-called anisotropic phenomena in tempered glass. Both products, which were presented at the China Glass Fair in Beijing and in connection with the Glass Performance Days Conference in Finland, were positively received by customers. With respect to the GlastonAir™ technology, interest was stimulated not only by the tempering of 2 mm glass, but also by low energy consumption in the tempering of thicker glasses and the high optical quality of the tempered glass.

In the second quarter, Glaston closed a deal worth around EUR 2.2 million for two flat tempering furnaces, a Glaston CHF™ and a Glaston CCS900™, with the Chinese company Xianning CSG Glass Co. Ltd. The orders are a follow-up to sales of several CCS™ and CHF™ flat tempering furnaces installed during the last five years. A deal valued at around EUR 4.8 million was also closed with the Columbian company Tecnoglass for four Glaston FC500™ flat tempering machines. These machines will be delivered to the customer during 2013. The orders were distributed across the first- and second-quarter order books.

In January-June, the Machines segment's net sales totalled EUR 45.5 (43.6) million. The operating result, excluding non-recurring items, was a profit of EUR 0.7 (2.6 loss) million. Second-quarter net sales totalled EUR 26.4 (21.7) million and the operating result, excluding non-recurring items, was a profit of EUR 1.0 (1.7 loss) million.

Services

The Services segment's early part of the year passed on a challenging note, particularly with respect to spare parts sales for heat treatment machines. In the second quarter, particularly in North America, demand for upgrade products also slowed down. This was reflected in the upgrade products' second-quarter order intake, as demand shifted towards sales of new machines. The company's market position remained strong, however. Sales of maintenance work on heat treatment machines developed according to expectations during the first part of the year.

In spare parts sales for pre-processing machines, very aggressive price competition continued. Despite this, Glaston succeeded in increasing spare parts sales for pre-processing machines in the EMEA area and in Asia.

The most significant deals were modernisations of old tempering machines in Japan, Saudi Arabia and Hungary. In upgrade products, demand was focused particularly on energy-saving upgrades.

In January-June, the Services segment's net sales totalled EUR 14.7 (15.6) million and the operating profit, excluding non-recurring items, was EUR 2.4 (2.7) million. Second-quarter net sales totalled EUR 7.0 (7.0) million and the operating profit, excluding non-recurring items, was EUR 1.2 (1.0) million.

Significant asset sales during the review period

Glaston completed the sale of its Software Solutions business area in the first quarter. The sales price was approximately EUR 18 million of which a portion is contingent. 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 2013 result on the sale of the business area. The Discontinued Operations' result for January-June 2013 after income taxes was EUR 0.0 million.

During the first quarter, Glaston also completed the sale and leaseback of the Tampere factory property complex in Finland. The sale resulted in a non-recurring capital gain of EUR 3.8 million.

Continuing Operations' orders received and order book

Glaston's order intake during the first six months of the year totalled EUR 55.8 (56.4) million. Of orders received, the Machines segment accounted for 75% and the Services segment 25%.

Orders received during the second quarter of the year totalled EUR 26.9 (28.2) million.

Glaston's order book on 30 June 2013 was EUR 33.8 (34.1) million. Of the order book, the Machines segment accounted for EUR 32.2 million and the Services segment for EUR 1.6 million.

Order book, EUR million	30.6.2013	30.6.2012
Machines	32.2	30.8
Services	1.6	3.3
Total	33.8	34.1

Continuing Operations' net sales, operating result and result

Net sales for the review period totalled EUR 60.1 (58.7) million. The Machines segment's net sales in the first half of the year were EUR 45.5 (43.6) million and the Services segment's net sales were EUR 14.7 (15.6) million.

April-June net sales totalled EUR 33.7 (28.5) million. The Machines segment's net sales in the second quarter were EUR 26.4 (21.7) million and the Services segment's net sales were EUR 7.0 (7.0) million.

Net sales, EUR million	1-6/2013	1-6/2012	1-12/2012
Machines	45.5	43.6	84.7
Services	14.7	15.6	32.3
Other and internal sales	-0.1	-0.5	-1.4
Total	60.1	58.7	115.6

The operating result, excluding non-recurring items, in January-June was a profit of EUR 0.7 (3.5 loss) million, i.e. 1.2 (-5.9)% of net sales. The Machines segment's operating result, excluding non-recurring items, in January-June was a profit of EUR 0.7 (2.6 loss) million and the Services segment's operating result, excluding non-recurring items, was a profit of EUR 2.4 (2.7) million. Of the non-recurring items totalling EUR 3.8 million recognised in the first quarter of the year, 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 operating segment, which belongs to the Machines segment, was recognised as a non-recurring item in the first quarter of 2012.

The second-quarter operating result, excluding non-recurring items, was a profit of EUR 1.1 (2.7 loss) million, i.e. 3.2 (-9.6)%. The Machines segment's operating result, excluding non-recurring items, in April-June was a profit of EUR 1.0 (1.7 loss) million and the Services segment's operating result, excluding non-recurring items, was a profit of EUR 1.2 (1.0) million.

EBIT, EUR million	1-6/2013	1-6/2012	1-12/2012
Machines	0.7	-2.6	-2.6
Services	2.4	2.7	5.9
Other and eliminations	-2.3	-3.6	-6.7
EBIT, excl. non-recurring items	0.7	-3.5	-3.4
Non-recurring items	3.8	-3.0	-5.4
EBIT, Continuing Operations	4.5	-6.5	-8.8

During the first quarter, Glaston repurchased convertible bonds with a nominal value EUR 2 million at a price 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 a 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. The Group's net financial items in January-June were EUR 0.9 (-3.4) million. In the second quarter net financial items were EUR -1.4 (-1.9) million of which a significant part was exchange rate losses deriving from Brazilian reais denominated financial items.

Continuing Operations' result in January-June was a profit of EUR 4.3 (9.9 loss) million, and in the second quarter a loss of EUR 0.4 (4.9 loss) million. The result, after the result of Discontinued Operations, was a profit of EUR 4.3 (9.3 loss) million. Return on capital employed (ROCE) for Continuing Operations in January-June was 16.8 (-10.2)%. Return on capital employed was 17.0 (-8.9)%.

Earnings per share

Continuing Operations' earnings per share in the review period were EUR 0.03 (-0.09) and Discontinued Operations' earnings per share were EUR 0.00 (0.01), i.e. a total of EUR 0.03 (-0.08).

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.

In February 2013, Glaston signed a new long-term financing agreement. 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 Group's liquid funds at the end of the review period totalled EUR 14.2 (11.1) million. Interest-bearing net debt totalled EUR 12.3 (55.6) million and net gearing was 22.8 (126.3)%; net gearing was 188.4% on 31 December 2012.

The share issues executed during the first quarter improved Glaston's equity ratio significantly. The equity ratio was 46.5 (27.7)% on 30 June 2013, and was 21.6% on 31 December 2012.

At the end of June, the consolidated asset total was EUR 130.2 (172.3) million. The equity attributable to owners of the parent was EUR 53.4 (43.7) million. The share issue-adjusted equity per share was EUR 0.28 (0.39). Return on equity in January-June was 20.5 (-38.4)%.

Cash flow from the operating activities of Continuing and Discontinued operations, before the change in working capital, was EUR 3.0 (0.6) million in January-June. The change in working capital was EUR -1.3 (-3.0) million. Cash flow from investing activities was EUR 23.5 (-3.0) million. Cash flow from investing activities was influenced by proceeds from the sales of the Software Solutions segment and the Tampere factory property, a total of EUR 25.4 million. Cash flow from financing activities in January-June was EUR -21.7 (-1.9) million.

Capital expenditure, depreciation and amortisation

The gross capital expenditure of Glaston's Continuing and Discontinued Operations totalled EUR 1.7 (3.0) million. Continuing Operations' capital expenditure totalled EUR 1.4 million. In the review period, there were no significant individual investments; the most significant investments were in product development.

Depreciation and amortisation of Continuing Operations on property, plant and equipment and on intangible assets totalled EUR 2.3 (2.7) million. A EUR 3.0 million goodwill impairment loss, directed at the Pre-processing operating segment, which belongs to the Machines segment, was recognised in the first quarter of 2012.

Employees

Glaston's Continuing Operations had a total of 592 (630) employees on 30 June 2013. Of the Group's employees, 22% worked in Finland and 28% elsewhere in the EMEA area, 34% in Asia and 15% in the Americas. In the review period, the average number of employees was 595 (837).

Extraordinary Annual General Meeting 2013 and issuances of shares

The Extraordinary General Meeting held on 12 February 2013 authorised the Board of Directors to decide on one or more issuances of shares. 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.

Annual General Meeting 2013

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.

Shares and share prices

Glaston Corporation's paid and registered share capital on 30 June 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 June, 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 six months of the year, a total of around 15 million of the company's shares were traded, i.e. around 9.9% of the average number of registered shares. The lowest price paid for a share was EUR 0.22 and the highest price EUR 0.38. The volume-weighted average price of shares traded in January-June was EUR 0.29. The closing price on 30 June 2013 was EUR 0.33.

On 30 June 2013, the market capitalisation of the company's registered shares, treasury shares excluded, was EUR 63.7 (28.3) million. The share issue-adjusted equity per share attributable to owners of the parent was EUR 0.28 (0.39).

Uncertainties and risks in the near future

Glaston's business environment remains challenging. Low economic growth and uncertainty in the financial markets may 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.

Glaston has recognized in total approximately EUR 3.8 million of loan, interest and trade receivables from a counterparty, whose financial situation is challenging. Glaston monitors the situation of the counterparty continuously, and if needed, recognizes an impairment loss of the receivables.

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

We expect that the cautious pick-up in the market will continue in the second half of the year. In North America, the recovery of the construction industry has continued and the market outlook is more positive than in 2012. We expect that the cautiously positive development in Asia will continue, supported by a slightly higher order intake. Stable development in South America is expected to continue. In Europe, the market will continue to be challenging.

As a result of economic uncertainty and overcapacity, the market for new glass processing machines will remain challenging. A recovery in demand for heat treatment machines was perceptible in the second quarter and we expect this positive trend to continue in the second half of the year.

The Group's financial position improved significantly in the first quarter of 2013. Due to the measures implemented, the company has good prospects for business development. We will continue our investments in product development and in the further development of glass processing lifecycle services.

Glaston adjusts its outlook for 2013. We expect 2013 net sales to be on the 2012 level and both the EBIT excluding non-recurring items and EBIT to be positive. (Earlier forecast: Glaston expects 2013 net sales to be on the 2012 level and EBIT to be positive.)

Helsinki, 8 August 2013
Glaston Corporation
Board of Directors

For further information, please contact:

The logo for Glaston Corporation, featuring the word "glaston" in a bold, lowercase, blue sans-serif font. Below it, the tagline "seeing it through" is written in a smaller, lowercase, blue sans-serif font. A registered trademark symbol (®) is located at the end of the tagline.

glaston
seeing it through®

President & CEO Arto Metsänen, tel. +358 10 500 6100
CFO Sasu Koivumäki, tel. +358 10 500 500

Sender:
Agneta Selroos
Director, Communications and Marketing
Glaston Corporation
Tel. +358 10 500 6105

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 - 30 JUNE 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>30.6.2013</u>	restated <u>30.6.2012</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	9.7	18.1	10.7	18.2
Property, plant and equipment	7.4	17.8	7.3	18.7
Investments in associates	-	0.1	-	0.0
Available-for-sale assets	0.3	0.3	0.3	0.3
Loan receivables	1.8	4.5	1.8	4.4
Deferred tax assets	5.7	6.9	6.7	6.9
Total non-current assets	61.9	97.3	63.8	101.2
Current assets				
Inventories	23.4	27.5	21.8	25.2
Receivables				
Trade and other receivables	30.0	35.7	31.2	40.8
Assets for current tax	0.8	0.7	0.9	1.3
Total receivables	30.8	36.4	32.0	42.1
Cash equivalents	14.2	11.1	10.6	18.6
Assets held for sale	-	-	29.8	-
Total current assets	68.4	75.0	94.2	86.0
Total assets	130.2	172.3	158.0	187.2

	<u>30.6.2013</u>	restated <u>30.6.2012</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	0.1	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	0.0	0.0	0.0
Other unrestricted equity reserves	0.1	-	0.1	-
Retained earnings and exchange differences	-33.1	-8.5	-8.9	-8.9
Net result attributable to owners of the parent	4.3	-9.3	-22.4	-
Equity attributable to owners of the parent	53.4	43.7	30.3	52.6
Non-controlling interest	0.3	0.3	0.3	0.3
Total equity	53.7	44.0	30.6	53.0
Non-current liabilities				
Convertible bond	-	8.1	8.2	7.9
Non-current interest-bearing liabilities	12.9	34.1	4.1	37.7
Non-current interest-free liabilities and provisions	3.5	2.4	2.6	2.2
Deferred tax liabilities	1.0	3.0	1.3	3.5
Total non-current liabilities	17.3	47.7	16.2	51.4
Current liabilities				
Current interest-bearing liabilities	13.6	24.6	56.2	22.6
Current provisions	1.9	4.1	3.5	4.1
Trade and other payables	43.3	51.6	46.4	55.3
Liabilities for current tax	0.4	0.3	0.3	0.7
Liabilities related to assets held for sale	-	-	4.7	-
Total current liabilities	59.2	80.6	111.2	82.8
Total liabilities	76.5	128.2	127.4	134.2
Total equity and liabilities	130.2	172.3	158.0	187.2

CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	restated		restated		restated
	<u>4-6/ 2013</u>	<u>4-6/ 2012</u>	<u>1-6/ 2013</u>	<u>1-6/ 2012</u>	<u>1-12/ 2012</u>
Net sales	33.7	28.5	60.1	58.7	115.6
Other operating income	0.2	0.2	4.1	0.4	1.1
Expenses	-31.7	-30.1	-57.4	-59.9	-117.1
Depreciation, amortization and impairment	-1.1	-1.3	-2.3	-5.7	-8.4
Operating result	1.1	-2.7	4.5	-6.5	-8.8
Financial items, net	-1.4	-1.9	0.9	-3.4	-8.6
Result before income taxes	-0.3	-4.6	5.4	-9.9	-17.4
Income taxes	-0.1	-0.3	-1.1	0.0	-0.8
Profit / loss for the period from continuing operations	-0.4	-4.9	4.3	-9.9	-18.2
Profit / loss after tax for the period from discontinued operations	0.0	0.9	0.0	0.6	-4.2
Profit / loss for the period	-0.4	-4.0	4.3	-9.3	-22.4
Attributable to:					
Owners of the parent	-0.3	-3.9	4.3	-9.3	-22.4
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
Total	-0.4	-4.0	4.3	-9.3	-22.4
Earnings per share, EUR, continuing operations	-0.01	-0.04	0.03	-0.09	-0.16
Earnings per share, EUR, discontinued operations	0.00	0.01	0.00	0.01	-0.04
Earnings per share, EUR, basic and diluted	-0.01	-0.03	0.03	-0.08	-0.20
Operating result, continuing operations, as % of net sales	3.2	-9.6	7.4	-11.0	-7.6
Profit / loss for the period, continuing operations, as % of net sales	-1.1	-17.2	7.1	-16.9	-15.8
Profit / loss for the period, as % of net sales	-1.0	-13.9	7.2	-15.8	-19.4
Non-recurring items included in operating result, continuing operations	0.0	-	3.8	-3.0	-5.4
Operating result, non-recurring items excluded, continuing operations	1.1	-2.7	0.7	-3.5	-3.4
Operating result, continuing operations, non-recurring items excluded, as % of net sales	3.2	-9.6	1.2	-5.9	-2.9

CONSOLIDATED STATEMENT OF COMPEREHENSIVE INCOME

		restated		restated	restated
	<u>4-6/ 2013</u>	<u>4-6/ 2012</u>	<u>1-6/ 2013</u>	<u>1-6/ 2012</u>	<u>1-12/ 2012</u>
Profit / loss for the period	-0.4	-4.0	4.3	-9.3	-22.4
Other comprehensive income that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	0.4	0.6	0.4	0.3	0.2
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 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	0.0	0.0
Actuarial gains and losses arising from defined benefit plans	0.0	0.0	0.0	0.0	-0.2
Income tax on other actuarial gains and losses arising from defined benefit plans	0.0	0.0	0.0	0.0	0.1
Other comprehensive income for the reporting period, net of tax	0.4	0.6	0.4	0.3	0.0
Total comprehensive income for the reporting period	0.0	-3.3	4.7	-9.0	-22.4
Attributable to:					
Owners of the parent	0.0	-3.3	4.7	-8.9	-22.3
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the reporting period	0.0	-3.3	4.7	-9.0	-22.4

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million		restated	restated
	<u>1-6/2013</u>	<u>1-6/2012</u>	<u>1-12/2012</u>
Cash flows from operating activities			
Cash flow before change in net working capital	3.0	0.6	1.1
Change in net working capital	-1.3	-3.0	-2.3
Net cash flow from operating activities	1.7	-2.4	-1.1
Cash flow from investing activities			
Business combinations	-	-	-0.1
Other purchases of non-current assets	-1.7	-3.0	-5.6
Proceeds from sale of business	12.9	-	-
Proceeds from sale of assets held for sale	12.4	-	-
Proceeds from sale of other non-current assets	0.0	0.0	0.2
Net cash flow from investing activities	23.5	-3.0	-5.5
Cash flow before financing	25.3	-5.4	-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 +)	0.1	0.0	0.1
Increase in short-term liabilities	23.7	4.7	11.2
Decrease in short-term liabilities	-25.9	-5.1	-10.3
Net cash flow from financing activities	-21.7	-1.9	-0.5
Effect of exchange rate changes	-0.3	-0.3	-0.6
Net change in cash and cash equivalents	3.3	-7.5	-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	14.2	11.1	10.9
Net change in cash and cash equivalents	3.3	-7.5	-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 30 June, 2012, restated	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, 2013, restated	12.7	25.3	0.0	26.8	-3.3	0.0
Total comprehensive income for the period	-	-	0.0	-	-	0.0
Reclassification	-	-	0.1	-	-	-
Share issue less of costs	-	-	-	9.1	-	-
Share issue paid with convertible and debenture bonds	-	-	-	11.4	-	-
Equity at 30 June, 2013	12.7	25.3	0.0	47.4	-3.3	0.0

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, restated	-	-8.6	-0.3	52.6	0.3	53.0
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,	-	0.0	-	0.0	-	0.0

tax effect

Equity at 30 June, 2012, restated	0.1	-17.9	0.1	43.7	0.3	44.0
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EUR million	Other unrestr. equity reserves	Retained earnings	Exchange diff.	Equity attrib. 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 income for the period	-	4.3	0.4	4.7	0.0	4.7
Reclassification	-	-0.1	-	0.0	-	0.0
Share-based incentive plan	-	0.1	-	0.1	-	0.1
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 30 June, 2013	0.1	-29.1	0.3	53.4	0.3	53.7

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>30.6.13</u>	restated <u>30.6.12</u>	restated <u>31.12.12</u>
EBITDA, as % of net sales ⁽¹⁾	11.2	-1.3	-0.3
Operating result (EBIT), as % of net sales	7.4	-11.0	-7.6
Profit / loss for the period, as % of net sales	7.1	-16.9	-15.8
Gross capital expenditure, continuing and discontinued operations, EUR million	1.7	3.0	5.6
Gross capital expenditure, as % of net sales of continuing and discontinued operations	3.2	4.4	4.1
Equity ratio, %	46.5	27.7	21.6
Gearing, %	49.2	151.6	224.0
Net gearing, %	22.8	126.3	188.4
Net interest-bearing debt, EUR million	12.3	55.6	57.7
Capital employed, end of period, EUR million	80.1	110.8	99.2
Return on equity, %, annualized	20.5	-38.4	-53.6
Return on capital employed, %, annualized	17.0	-8.9	-12.6
Return on capital employed, continuing operations %, annualized	16.8	-10.2	-9.4
Number of personnel, average	595	837	820
Number of personnel, continuing operations, end of period	592	630	602
Number of personnel, discontinued operations, end of period	-	183	175
Number of personnel, end of period	592	813	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>30.6.13</u>	restated <u>30.6.12</u>	restated <u>31.12.12</u>
Number of registered shares, end of period, treasury shares excluded (1,000)	192,920	104,800	104,800
Number of shares issued, end of period, adjusted with share issue, treasury shares excluded (1,000)	192,920	113,241	113,241
Number of shares, average, adjusted with share issue, treasury shares excluded (1,000)	155,061	113,241	113,241
Number of shares, dilution effect of the convertible bond taken into account, average, adjusted with share issue, treasury shares excluded (1,000) ('	155,061	120,514	120,514
EPS, continuing operations, basic and diluted, adjusted with share issue, EUR	0.03	-0.09	-0.16
EPS, Discontinued Operations, basic and diluted, adjusted with share issue, EUR	0.00	0.01	-0.04
EPS, total, basic and diluted, adjusted with share issue, EUR	0.03	-0.08	-0.20
Adjusted equity attributable to owners of the parent per share, EUR	0.28	0.39	0.27
Price per adjusted earnings per share (P/E) ratio	11.8	-3.3	-1.3
Price per adjusted equity attributable to owners of the parent per share	1.19	0.70	0.97
Market capitalization of registered shares, EUR million	63.7	28.3	27.2
Share turnover, % (number of shares traded, % of the average registered number of shares)	9.9	10.6	16.9
Number of shares traded, (1,000)	15,014	11,132	17,736
Closing price of the share, EUR	0.33	0.27	0.26
Highest quoted price, EUR	0.38	0.74	0.74
Lowest quoted price, EUR	0.22	0.24	0.23
Volume-weighted average quoted price, EUR	0.29	0.46	0.39

DEFINITIONS OF KEY RATIOS

Definitions of key ratios are presented in 2012 financial statements as well as in January - March 2013 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, 2012, with the exception that some new or revised or amended standards and interpretations have been applied from 1 January, 2013. These amended standards and interpretations are presented in 2012 financial statements as well as in January - March 2013 interim report.

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	30.6.2012	restatement	restated 30.6.2012
Equity attributable to owners of the parent	44.2	-0.2	44.0
Defined benefit pension and other defined long-term employee benefit liabilities	1.0	0.2	1.3
Deferred tax liabilities	3.0	-0.1	3.0
			restated
	31.12.2012	restatement	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
Laskennalliset verovelat	1.5	-0.1	1.3
			restated
	1.1.2012	restatement	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 January - June 2013, in total EUR 3.8 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 January - December 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	4-6/ 2013	4-6/ 2012	1-6/ 2013	1-6/ 2012	1-12/ 2012
External sales	26.4	21.7	45.5	43.6	84.7
Intersegment sales	0.0	0.0	0.0	0.0	0.0
Net sales	26.4	21.7	45.5	43.6	84.7
EBIT excluding non-recurring items	1.0	-1.7	0.7	-2.6	-2.6
EBIT-%, excl. non-recurring items	4.0	-7.8	1.5	-5.9	-3.1
Non-recurring items	0.0	-	0.0	-3.0	-4.7
EBIT	1.1	-1.7	0.7	-5.6	-7.3
EBIT-%	4.0	-7.8	1.5	-12.8	-8.6
Net working capital			29.1	43.7	30.0
Number of personnel, average			452	507	492
Number of personnel, end of period			449	489	461

Services

EUR million	4-6/ 2013	4-6/ 2012	1-6/ 2013	1-6/ 2012	1-12/ 2012
External sales	6.7	6.7	14.0	15.0	30.8
Intersegment sales	0.3	0.3	0.7	0.5	1.5
Net sales	7.0	7.0	14.7	15.6	32.3
EBIT excluding non-recurring items	1.2	1.0	2.4	2.7	5.9
EBIT-%, excl. non-recurring items	16.7	13.7	16.1	17.4	18.3
Non-recurring items	-	-	0.0	-	-0.1
EBIT	1.2	1.0	2.4	2.7	5.8
EBIT-%	16.7	13.7	16.1	17.4	18.0
Net working capital			23.4	22.0	23.1
Number of personnel, average			133	128	129
Number of personnel, end of period			130	128	130

Glaston Group

Net sales

EUR million	4-6/ 2013	4-6/ 2012	1-6/ 2013	1-6/ 2012	1-12/ 2012
Machines	26.4	21.7	45.5	43.6	84.7
Services	7.0	7.0	14.7	15.6	32.3
Other and intersegment sales	0.3	-0.3	-0.1	-0.5	-1.4
Glaston Group total	33.7	28.5	60.1	58.7	115.6

EBIT					
EUR million	4-6/ 2013	4-6/ 2012	1-6/ 2013	1-6/ 2012	1-12/ 2012
Machines	1.0	-1.7	0.7	-2.6	-2.6
Services	1.2	1.0	2.4	2.7	5.9
Other and eliminations	-1.2	-2.0	-2.3	-3.6	-6.7
EBIT excluding non-recurring items	1.1	-2.7	0.7	-3.5	-3.4
Non-recurring items	0.0	-	3.8	-3.0	-5.4
EBIT, continuing operations	1.1	-2.7	4.5	-6.5	-8.8
Net financial items	-1.4	-1.9	0.9	-3.4	-8.6
Result before income taxes from continuing operations	-0.3	-4.6	5.4	-9.9	-17.4
Income taxes from continuing operations	-0.1	-0.3	-1.1	0.0	-0.8
Result from continuing operations	-0.4	-4.9	4.3	-9.9	-18.2
Net discontinued operations	0.0	0.9	0.0	0.6	-4.2
Net result	-0.4	-4.0	4.3	-9.3	-22.4
Number of personnel, average			595	647	634
Number of personnel, end of period			592	630	602

Segment assets			
EUR million	30.6.2013	30.6.2012	31.12.2012
Machines	70.2	88.5	73.4
Services	29.0	28.4	29.0
Total segments	99.2	116.9	102.4
Unallocated and eliminations and adjustments	5.4	4.8	2.8
Total segment assets	104.6	121.7	105.2
Other assets	25.7	50.6	52.8
Total assets	130.2	172.3	158.0

Segment liabilities			
EUR million	30.6.2013	30.6.2012	31.12.2012
Machines	41.1	44.8	43.4
Services	5.6	6.4	6.0
Total segments	46.7	51.2	49.4
Unallocated and eliminations and adjustments	1.9	2.2	2.3
Total segment liabilities	48.7	53.4	51.7
Other liabilities	27.9	74.8	75.6
Total liabilities	76.5	128.2	127.4

Net working capital			
EUR million	30.6.2013	30.6.2012	31.12.2012
Machines	29.1	43.7	30.0
Services	23.4	22.0	23.1
Total segments	52.5	65.7	53.0
Unallocated and eliminations and adjustments	3.4	2.7	0.5
Total Glaston Group	55.9	68.3	53.5

Order intake (continuing operations)

EUR million	1-6/2013	1-6/2012	1-12/2012
Machines	41.6	39.8	86.3
Services	14.1	16.7	31.8
Total Glaston Group	55.8	56.4	118.1

Net sales by geographical areas (continuing operations)

EUR million	1-6/2013	1-6/2012	1-12/2012
EMEA	24.6	24.6	48.2
Asia	13.9	15.2	25.4
America	21.6	18.9	42.0
Total	60.1	58.7	115.6

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

Continuing operations

Machines

EUR million	4-6/ 2013	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012
External sales	26.4	19.1	22.7	18.4	21.7	21.9
Intersegment sales	0.0	0.0	0.0	0.0	0.0	0.0
Net sales	26.4	19.1	22.7	18.4	21.7	21.9
EBIT excluding non-recurring items	1.0	-0.4	0.5	-0.5	-1.7	-0.9
EBIT-%, excl. non-recurring items	4.0	-1.9	2.1	-2.5	-7.8	-4.1
Non-recurring items	0.0	0.0	-1.8	0.0	-	-3.0
EBIT	1.1	-0.4	-1.3	-0.5	-1.7	-3.9
EBIT-%	4.0	-2.0	-5.7	-2.5	-7.8	-17.7

Services

EUR million	4-6/ 2013	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012
External sales	6.7	7.2	9.5	6.3	6.7	8.3
Intersegment sales	0.3	0.5	0.3	0.6	0.3	0.2
Net sales	7.0	7.7	9.9	6.8	7.0	8.5
EBIT excluding non-recurring items	1.2	1.2	2.0	1.2	1.0	1.7
EBIT-%, excl. non-recurring items	16.7	15.6	19.9	18.1	13.7	20.5
Non-recurring items	-	0.0	-0.1	-	-	-
EBIT	1.2	1.2	1.9	1.2	1.0	1.7
EBIT-%	16.7	15.6	18.8	18.1	13.7	20.5

Net sales

	4-6/ 2013	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012
EUR million						
Machines	26.4	19.1	22.7	18.4	21.7	21.9
Services	7.0	7.7	9.9	6.8	7.0	8.5
Other and intersegment sales	0.3	-0.4	-0.3	-0.6	-0.3	-0.2
Glaston Group total	33.7	26.4	32.3	24.6	28.5	30.2

EBIT

	4-6/ 2013	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012
EUR million						
Machines	1.0	-0.4	0.5	-0.5	-1.7	-0.9
Services	1.2	1.2	2.0	1.2	1.0	1.7
Other and eliminations	-1.2	-1.2	-1.9	-1.2	-2.0	-1.6
EBIT excluding non-recurring items	1.1	-0.4	0.5	-0.4	-2.7	-0.7
Non-recurring items	0.0	3.7	-2.4	-	-	-3.0
EBIT	1.1	3.4	-1.9	-0.4	-2.7	-3.7

Order book (continuing operations)

	30.6. 2013	31.3. 2013	31.12. 2012	30.9. 2012	30.6. 2012	31.3. 2012
EUR million						
Machines	32.2	37.8	33.1	31.3	30.8	34.2
Services	1.6	1.6	1.1	4.0	3.3	1.1
Total Glaston Group	33.8	39.4	34.2	35.3	34.1	35.2

Order intake (continuing operations)

	4-6/ 2013	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012
EUR million						
Machines	20.3	21.4	25.5	21.1	19.1	20.7
Services	6.7	7.5	7.9	7.3	9.1	7.6
Total Glaston Group	26.9	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	1-6/2013	1-6/2012	1-12/2012
Revenue	1.8	10.5	21.0
Expenses	-1.2	-9.8	-19.2
Gross profit	0.5	0.7	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	0.7	-3.5
Current income tax	-0.1	-0.1	-0.7
Income tax related to measurement to fair value less costs to sell	-	-	-
Loss from disposal of discontinued operations	-0.4	-	-
Profit / loss from discontinued operations	0.0	0.6	-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.

30.6.2013 30.6.2012 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

Liabilites

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

	1-6/2013	1-6/2012	1-12/2012
Operating	1.0	1.7	2.8
Investing	-0.3	-1.5	-3.1
Financing	0.0	0.0	0.0
Net cash flow	0.7	0.2	-0.3

CONTINGENT LIABILITIES

EUR million	<u>30.6.2013</u>	<u>30.6.2012</u>	<u>31.12.2012</u>
Mortgages and pledges			
On own behalf	295.0	488.4	470.8
On behalf of others	0.1	0.1	0.1
Guarantees			
On own behalf	3.4	0.8	0.4
On behalf of others	0.0	0.0	0.0
Lease obligations	19.5	8.4	7.2
Other obligation on own behalf	-	0.6	0.5

Mortgages and pledges include EUR 89.4 million shares in group companies and EUR 37.9 million receivables from group companies.

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

DERIVATIVE INSTRUMENTS

EUR million	<u>30.6.2013</u>		<u>30.6.2012</u>		<u>31.12.2012</u>	
	<u>Nominal</u> <u>value</u>	<u>Fair</u> <u>value</u>	<u>Nominal</u> <u>value</u>	<u>Fair</u> <u>value</u>	<u>Nominal</u> <u>value</u>	<u>Fair</u> <u>value</u>
Commodity derivatives						
Electricity forwards	0.4	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

<u>Changes in property, plant and equipment</u>	<u>1-6/13</u>	<u>1-6/12</u>	<u>1-12/12</u>
Carrying amount at beginning of the period	7.3	18.7	18.7
Additions	0.7	0.3	0.6
Disposals	0.0	0.0	-0.1
Depreciation	-0.7	-1.2	-2.2
Impairment losses and reversals of impairment losses	0.0	-	-
Reclassification and other changes	-0.7	-	0.0
Transfer to / from assets held for sale	0.7	-	-9.7
Exchange differences	0.0	0.0	-0.1
Carrying amount at end of the period	7.4	17.8	7.3

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

SHAREHOLDER INFORMATION**20 largest shareholders 30 June, 2013**

Shareholder	Number of shares	% of shares and votes
1 Etera Mutual Pension Insurance Company	27,144,277	14.01
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	10,238,250	5.29
8 Päivikki and Sakari Sohlberg Foundation	5,065,600	2.62
9 Oy Investsum Ab	3,480,000	1.80
10 Sumelius Bjarne Henning Investment Fund Danske Invest Suomi	2,436,504	1.26
11 Kasvuosake	2,244,114	1.16
12 Investment Fund Säästöpankki Pienyhtiöt	2,107,860	1.09
13 Sumelius-Fogelholm Birgitta Christina	1,994,734	1.03
14 Von Christierson Charlie	1,600,000	0.83
15 Metsänen Arto Juhani	1,500,000	0.77
16 Oy Cacava Ab	1,500,000	0.77
17 Oy Nissala Ab	1,500,000	0.77
18 Sumelius Bertil Christer	1,398,533	0.72
19 Sumelius-Koljonen Barbro	1,350,238	0.70
20 Ehrnrooth Helene Margareta	1,350,000	0.70
20 largest shareholders total	135,590,593	70.0
Nominee registered shareholders	76,791	0.04
Other shares	58,040,952	29.96
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 - June 2012 EUR 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.

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. This share-based incentive plan has been described in more detail in January - March 2013 interim report.

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	-	-
30 June	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

	30.6.2013	30.6.2012	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