Glaston Financial Statement 1 January-31 December 2013: Result positive – financial position good

- Orders received in January-December totalled EUR 123.3 (118.1) million. Orders received in the fourth quarter totalled EUR 33.3 (33.3) million.
- The order book on 31 December 2013 was EUR 39.1 (34.2) million.
- Consolidated net sales in January-December totalled EUR 122.2 (115.6) million. Final quarter net sales were EUR 35.9 (32.3) million.
- EBITDA was EUR 10.5 (-0.4) million, i.e. 8.6 (-0.3)% of net sales.
- The operating result, excluding non-recurring items, was a profit of EUR 2.1 (3.4 loss) million, i.e. 1.7 (-2.9)% of net sales. The final quarter operating profit, excluding non-recurring items, was EUR 1.9 (0.5) million.
- Continuing Operations' operating result was a profit of EUR 5.9 (8.8 loss) million, i.e. 4.8 (-7.6)% of net sales. The final quarter operating result was a profit of EUR 1.9 (1.9 loss) million.
- Continuing Operations' return on capital employed (ROCE) was 9.8 (-9.4)*%.*
- Continuing Operations' earnings per share were EUR 0.01 (-0.16) and for the fourth quarter EUR -0.01 (-0.06). Continuing and Discontinued Operations' earnings per share were EUR 0.01 (-0.20) euros and in the fourth quarter EUR -0.01 (-0.05).
- The Board of Directors proposes to the Annual General Meeting that no dividend be distributed.
- Glaston expects 2014 net sales and operating profit to grow

President & CEO Arto Metsänen:
"We can be relatively satisfied with 2013. The company's operational result returned to positive and we restored our financial position.

During the first quarter, we implemented an extensive number of measures aimed at strengthening our financial position. Full-year cash flow from operating activities, after the change in working capital, was positive at EUR 7.1 million. As a result of the measures undertaken, our net debt decreased by nearly EUR 50 million from the end of the previous year to stand at less than EUR 10 million.

With respect to the improvement in earnings, the most significant factor was full implementation of a savings programme amounting to around EUR 5 million. Due to this and good sales of heat treatment machines, we managed to restore our operating result to profit after a number of lossmaking years. The operating result, excluding non-recurring items, was clearly positive, namely a profit of EUR 2.1 million.

The global market was relatively subdued and provided very limited support. A positive note was perceptible in North America throughout the year and also in Europe, particularly in the final quarter. Despite the low market activity, our net sales grew by 5.7% to EUR 122.2 million. Sales of heat treatment machines developed positively throughout the year, with the final quarter being particularly strong. Our flagship products, the FC and RC product lines, further strengthened their position among customers. The pre-processing machines market continued to be challenging.

We look forward to 2014 with confidence. Our company is on a solid foundation and our product portfolio is the most up-to-date on the market and meeting customers' needs. We believe that our markets will develop positively but cautiously, giving us a good possibility of profitable growth."

Markets
Glaston's market developed positively but cautiously in 2013. The recovery of the North American

market continued throughout the year. In the EMEA area, the market situation was challenging but positive trends were evident, for example in Eastern Europe, the UK and Germany. In the South American and Asian markets, development was stable.

Machines

The market situation of the Machines segment was satisfactory in 2013. In North America, the cautious recovery from a low level continued throughout the year, which boosted customers' willingness to invest. In South America and Asia, development was stable. In the EMEA area, the market continued to be challenging, but it picked up in the final quarter, particularly in the UK and Eastern Europe.

The heat treatment machines market developed positively in the second half of the year, with demand being directed at new products. The popularity of the Glaston FC 500™ machine in particular grew, but high-capacity multi-chamber solutions also met with success. In pre-processing machines, the market situation was challenging throughout the year. Demand for tools was on the previous year's level.

Iinvestments in product development continued. In pre-processing machines, the new UC1000™ cutting line and the Omnia double edging machine were launched onto the market at the end of the year. In heat treatment machines, the Glaston FC 500™ product line further strengthened its position, and deals for more than 30 machines were signed in the review period. In the second half of the year, a new product, the ProL500 flat laminating line, was launched onto the market. The lines are manufactured at Glaston's factory in Brazil. The development continued of the GlastonAir™ air flotation technology, intended for the tempering of thin (2 mm) glass.

Determined work to cut delivery times and reduce the production costs of main products also continued. As a result of efficiency measures, Glaston managed to cut the delivery time of the RC 200™ machine by more than 30 per cent during the year.

Orders received in the Machines segment totalled EUR 94.5 (86.3) million in 2013. January-December net sales totalled EUR 92.6 (84.7) million. The January-December operating result was a profit of EUR 2.3 (7.3 loss) million, and the operating result excluding non-recurring items was a profit of EUR 2.3 (2.6 loss) million. At the end of 2013, the segment had 441 (461) employees. The segment's result was positively influenced by the successful execution of a fairly high production load in the final quarter, an acceleration of deliveries, and lower costs in the quality and delivery chain.

Orders received in the Machines segment totalled EUR 26.3 (25.5) million in October-December. October-December net sales were EUR 28.1 (22.7) million and the operating result was a profit of EUR 1.7 (1.3 loss) million. The operating result, excluding non-recurring items, was a profit of EUR 1.7 (0.5) million.

Services

As in the previous year, the operating environment of the Services segment remained challenging in 2013, particularly with respect to upgrade products. In Asia, sales of maintenance work on pre-processing machines developed positively, as challenges were related to sales of heat treatment machine spare parts and upgrade products. In the South and North American markets, other product groups, excluding upgrades, did well. The EMEA area developed positively in all product groups.

During the year, the global launch of new products brought to the market in 2012 continued and the Glaston Genuine Care concept was developed further. The segment's product portfolio corresponds well with customer needs, which without exception relate to improving energy efficiency and quality, increasing capacity, and boosting the performance and utilisation efficiency of machines and equipment. The service network, the industry's largest, maintained its position during the year.

Orders received in the Services segment totalled EUR 28.7 (31.8) million in 2013. January-December net sales totalled EUR 30.2 (32.3) million. The January-December operating result was a profit of EUR 5.3 (5.8) million, and the operating result excluding non-recurring items was a profit of EUR 5.3

(5.9) million. More intense competition in spare parts, customers' removal of their oldest machines, and more buoyant sales of new machines impacted the development of the segment's net sales, while profitability was maintained at a good level. At the end of 2013, the segment had 128 (130) employees.

Orders received in the Services segment totalled EUR 7.1 (7.9) million in the final quarter of 2013. October-December net sales totalled EUR 8.0 (9.9) million and the operating result was a profit of EUR 1.7 (1.9) million. The operating result, excluding non-recurring items, was a profit of EUR 1.7 (2.0) million.

Continuing Operations' orders received and order book
Glaston's order intake in the review period totalled EUR 123.3 (118.1) million. Of orders received, the Machines segment accounted for 77% and the Services segment for 23%.

Orders received during the final quarter of the year totalled EUR 33.3 (33.3) million.

Glaston's order book on 31 December 2013 was EUR 39.1 (34.2) million. Of the order book, the Machines segment accounted for EUR 38.0 (33.1) million and the Services segment EUR 1.1 (1.1) million.

Order book, EUR million	**31.12.2013**	**31.12.2012**
Machines	38.0	33.1
Services	1.1	1.1
Total	**39.1**	**34.2**

Continuing Operations' net sales and operating result
Glaston's January-December net sales totalled EUR 122.2 (115.6) million. The Machines segment's net sales in the review period totalled EUR 92.6 (84.7) million and the Services segment's net sales totalled EUR 30.2 (32.3) million.

Final quarter net sales totalled EUR 35.9 (32.3) million. In the final quarter, the heat treatment machines market strengthened and the Machines segment's net sales totalled EUR 28.1 (22.7) million. The Services segment's net sales totalled EUR 8.0 (9.9) million.

Net sales, EUR million	**10-12/ 2013**	**10-12/ 2012**	**2013**	**2012**
Machines	28.1	22.7	92.6	84.7
Services	8.0	9.9	30.2	32.3
Other and internal sales	-0.2	-0.3	-0.6	-1.4
Total	**35.9**	**32.3**	**122.2**	**115.6**

The operating result, excluding non-recurring items, was a profit of EUR 2.1 (3.4 loss) million, i.e. 1.7 (-2.9)% of net sales. In January-December, the Machines segment's operating result, excluding non-recurring items, was a profit of EUR 2.3 (2.6 loss) million and the Services segment's operating result, excluding non-recurring items, was a profit of EUR 5.3 (5.9) million. Of the non-recurring items totalling EUR 3.7 million and recognised in the first quarter of the year, the most significant was a capital gain arising from the sale of the Tampere property complex. A goodwill impairment loss of EUR 3.0 million directed at the Pre-processing operating segment, which belongs to the Machines segment, was recognised as a non-recurring item in the first quarter of 2012.

The final quarter operating profit, excluding non-recurring items, was EUR 1.9 (0.5) million. In October-December, the Machines segment's operating profit, excluding non-recurring items, was EUR 1.7 (0.5) million and Services segment's operating profit, excluding non-recurring items, was a profit of EUR 1.7 (2.0) million.

EBIT	**1-12/2013**	**1-12/2012**
Machines	2.3	-2.6
Services	5.3	5.9
Other and eliminations	-5.5	-6.7
EBIT, excl. non-recurring items	**2.1**	**-3.4**
Non-recurring items	3.7	-5.4
EBIT	**5.9**	**-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 with accrued interest and the debenture bond with accrued interest were used as payment in a share issue (conversion issue). As the subscription price of the share in 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. Group's net financial items in 2013 were EUR -1.0 (-8.6) million and in the final quarter EUR -0.9 (-3.5) million.

Income taxes amounted to EUR -3.6 (-0.8) million, of which the change of deferred tax assets was EUR -3.0 million. EUR -1.6 million of this change was booked based on the Finnish companies' taxable income. The effect of the change in the Finnish income tax rate on deferred tax assets was EUR -0.9 million. The cash flow-based tax was EUR -0.8 million.

Continuing Operations' result In January-December was a profit of EUR 1.3 (18.2 loss) million, and in the final quarter a loss of EUR 1.7 (6.4 loss) million. The result, after the result of Discontinued Operations, was a profit of EUR 1.3 (22.4 loss) million, and in the final quarter a loss of EUR 1.7 (5.3 loss) million. In January-December, the return on capital employed (ROCE) was 9.9 (-12.6)%.

Earnings per share
Continuing Operations' earnings per share were EUR 0.01 (-0.16) in 2013, while Discontinued Operations' earnings per share were EUR 0.0 (-0.04), i.e. a total of EUR 0.01 (-0.20).

Financial position, cash flow and financing
In the first quarter of the year, Glaston implemented extensive measures to strengthen the company's financial position. These measures included a share issue, the completion of the sale of the Software Solutions segment, the conversion of convertible and debenture bonds into shares by using them as payment in the conversion issue, a new long-term financing agreement, 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 at the end of the first quarter of 2014.

The Group's liquid funds at the end of the review period totalled EUR 16.4 (10.6) million. Interest-bearing net debt totalled EUR 8.6 (57.7) million and net gearing was 16.9 (188.4)%.

The share issues executed during the first quarter improved Glaston's equity ratio significantly. The equity ratio was 45.4 (21.6)% on 31 December 2013.

At the end of 2013, the consolidated asset total was EUR 125.6 (158.0) million. The equity attributable to the owners of the parent was EUR 50.4 (30.3) million. The share issue-adjusted equity per share was EUR 0.26 (0.27). Return on equity in January-December was 3.2 (-53.6)%.

Cash flow from the operating activities of Continuing and Discontinued Operations, before the change in working capital, was EUR 6.3 (1.1) million in January-December. The change in working capital was EUR 0.9 (-2.3) million. Cash flow from investing activities was EUR 22.5 (-5.5) 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 25.3 million. Cash flow from financing activities in January-December was EUR -23.1 (-0.5) million.

Adjustment measures

At the end of the 2012, Glaston initiated negotiations on the adjustment of its operations to the company's new structure and to the prevailing market situation. The annual savings of the adjustment programme, around EUR 5 million, were realised in full during 2013.

Research and product development

Glaston's research and product development expenditure in 2013 totalled EUR 4.8 (5.3) million, i.e. 3.9 (4.6)% of net sales. Product development investments were directed at the product series expansion and further development of the GlastonAir™ concept, intended for the tempering of thin glass, the development of multi-chamber solutions for the FC500™ and RC350™ machines, and upgrades to the automation system and process control of flat tempering automation machines, and the modernisation of machines with RC200-technology replacement chamber solutions.

The early part of the year saw the launch of the GlastonAir™ flat tempering machine representing the industry's most advanced technology, 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. With respect to the GlastonAir™ technology, interest was stimulated not only by the tempering of thin glass, but also by low energy consumption in the tempering of thicker glasses and the high optical quality of the tempered glass. Another new product launch was IriControL™ technology, with which glass processors can measure and minimise so-called anisotropic phenomena in tempered glass. In Asia, the RC and CCS flat tempering product series were expanded with new machine models to meet customers' needs.

In pre-processing machines, the new automatic UC cutting lines, which combine high performance with a competitive price, were launched onto the market, as was the Omnia double edging machine, which is suitable for the needs of both the solar energy and appliance industries.

In the Services segment, the global launch of products launched onto the market in 2012 continued. These products include the Glaston iControL™ automation system upgrade, the Glaston RHC™ automatic roller heat control technology, the RC200-zone™ replacement chamber solution and the RC200-2-zone™ additional chamber.

Strategy

On 9 September 2013, Glaston published its updated strategic guidelines and financial targets for 2013–2016. Glaston's goal is to deliver profitable growth through innovation and technology leadership in selected product groups, while at the same time ensuring the best customer value and experience in the industry.

The safety glass market, which is Glaston's main field of business, is expected to grow by nearly 7% per year up to 2017. In addition, the company is seeking to grow particularly in tools (consumables relating to pre-processing machines) and in services covering the entire lifecycle of products.

The financial targets underlying Glaston's strategy will run until 2016 and they are: average growth in net sales of over 8% per year (CAGR), and by the end of 2016 operating profit margin (EBIT) over 6%, and return on capital employed (ROCE) over 10%.

Environment
The energy efficiency of glass processing machines and, moreover, the energy-efficiency of the end products manufactured with them are highly significant from an environmental perspective. Glaston aims to be as environmentally friendly as possible in its operations. The company does not cause air pollution or create emissions into land or water areas. The company's operations may give rise to minor environmental effects, such as noise.

Glaston's glass processing machines and the components used in them have been designed to withstand intense use. The life cycle of machines and equipment may be measured in decades. The Glaston Genuine Care service concept is the most extensive in the industry, and it offers customers continuous service throughout the entire lifecycle of a product. The service covers maintenance services, spare parts and tools for all machines and equipment as well as upgrade products and modernisations.

Energy efficiency and its development play a key role in product development. A result of the further development of flat tempering technology, the new Glaston FC500+RC350™ double-chamber tempering lines deliver high capacity and at the same time high quality energy glass production with a smaller carbon footprint.

Capital expenditure, depreciation and amortisation
The gross capital expenditure of Glaston's Continuing and Discontinued Operations totalled EUR 2.8 (5.6) million. The most significant investments in 2013 were in product development.

In 2013, depreciation and amortisation of Continuing Operations on property, plant and equipment and on intangible assets totalled EUR -4.6 (-5.4) million.

Discontinued Operations
InOctober 2012, Glaston announced that it was entering into negotiations on the sale of the Software Solutions segment. The deal was concluded on 4 February 2013, when the sale of Albat+Wirsam Software GmbH's shares to Friedman Corporation was completed after the terms of sale were fulfilled. 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 segmentfor the period 1 January-31 January 2013 as well as the result on the sale of the segment.

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

Employees
Glaston's Continuing Operations had a total of 581 (602) employees on 31 December 2013. Of the Group's employees, 22% worked in Finland and 29% elsewhere in the EMEA area, 34% in Asia and 15% in the Americas. In the review period, the average number of employees was 590 (820).

Share-based incentive schemes
On 7 February 2013, Glaston's Board of Directors decided on a new share-based incentive plan for the Group's key personnel. The purpose of the new plan is to unite the objectives of shareholders and key personnel in order to raise the company's value, and to commit key personnel to the company and offer them a competitive bonus plan based on long-term ownership of the company's shares. The share bonus plan has one performance period, which began on 15 March 2013 and ends on 15 March 2014.

Participation in the scheme and receipt of rewards for the performance period requires that a key employee subscribed for the company's shares in the share issue organised in spring 2013. Rewards of the scheme will be paid in April 2014 as cash instead of shares in accordance with a decision of the Board of Directors, provided that the key employee's employment or service with the Group is in force and that he or she still owns the shares subscribed for in the share issue. If a key employee's employment or service with the Group ends before the payment of a reward, the main principle is that no reward will be paid. The share bonus scheme's target group consists of 24 people.

On 12 December 2011, Glaston's Board of Directors decided on a share-based incentive scheme for the Group's key personnel. The share bonus scheme has three performance periods, namely the calendar years 2012, 2013 and 2014. The company's Board of Directors decides on the scheme's performance criteria and the targets set for them at the beginning of each performance period. The share bonus scheme's target group consists of around 25 people. Glaston's Board of Directors decided in January 2014 that the scheme will be withdrawn. No rewards were paid under the scheme during its period of validity.

The President & CEO also has a separate share bonus arrangement, according to which 50,000 Glaston Corporation shares were transferred to him one year after the beginning of his employment relationship, namely in September 2010. The shares earned cannot be transferred for two years from the date of acquisition of the shares. If the President & CEO's employment ends during the restriction period, the shares will be returned to the company. The performance period of this scheme ended in 2012.

Group structural changes in 2013
On 4 February 2013, Glaston completed the sale of the Software Solutions segment, when the shares of Albat+Wirsam Software GmbH were sold to Friedman Corporation, a subsidiary of Constellation Software Inc.

Glaston Finland Oy's branch office in Sweden was closed in December 2013.

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

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

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

The authorisation was valid until 30 June 2013 and it did not invalidate the authorisation granted by the Annual General Meeting on 5 April 2011.

Decisions of the Annual General Meeting
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 held an organising meeting, at which it 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 was 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.

Nomination Board

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 are 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.

Share issue

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 and the debenture bond, 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.

Shares and share prices

Glaston Corporation's paid and registered share capital on 31 December 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 the year, 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 51,682.

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.

On 31 December 2013, the market capitalisation of the company's registered shares, treasury shares excluded, was EUR 77.2 (27.2) million. During 2013, approximately 35.6 million of the company's shares were traded, i.e. around 20.7% of the average number of registered shares. The lowest price paid for a share was EUR 0.22 (0.23) and the highest price EUR 0.44 (0.74). The volume-weighted average price of shares traded during January-December was EUR 0.35 (0.39). The closing price on 31 December 2013 was EUR 0.40 (0.26).

The share issue-adjusted equity per share attributable to the owners of the parent was EUR 0.26 (0.27).

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

During 2013, Glaston was informed of the following changes in ownership:

On 11 March 2013, Glaston received notification from GWS Trade Oy and Oy G.W.Sohlberg Ab that both companies' share of the total number of shares and voting rights in Glaston Corporation had fallen below 10%. Oy G.W.Sohlberg Ab's holding (12,819,400 shares) of Glaston's total number of shares and voting rights declined from 12.14% to 6.62% and GWS Trade Oy's holding (13,446,700 shares) of Glaston's total number of shares and voting rights declined from 12.73% to 6.94%. On the same day, Glaston received notification from Hymy Lahtinen Oy that the company's share of the total number of shares and voting rights in Glaston Corporation had risen above 5%. Hymy Lahtinen Oy's ownership rose to 10,150,200 shares, which is 5.24% of all Glaston shares and votes.

On 12 March 2013, Glaston received notification from Etera Mutual Pension Insurance Company that the company's share of the total number of shares and voting rights in Glaston Corporation had risen above 10%. Etera Mutual Pension Insurance Company's ownership rose to 26,764,885 shares, which is 13.82% of all Glaston shares and votes. On the same day, Glaston received notification from Yleisradio eläkesäätiö (Yleisradio Pension Fund) that its share of the total number of shares and voting rights in Glaston Corporation had risen above 5%. Yleisradio eläkesäätiö's ownership rose to 10,481,369 shares, which is 5.41% of all Glaston shares and votes. All of the notifications were related to Glaston's share issue directed at the public and the conversion issue directed at holders of the convertible bond 2009 and the debenture bond 2011.

On 27 August 2013, Glaston received a notification that Oy G.W.Sohlberg Ab's share of the total number of shares and voting rights in Glaston Corporation had risen above 10% following the merger of GWS Trade Oy with its parent company Oy G.W Sohlberg Ab. Oy G.W.Sohlberg Ab's ownership rose to 26,266,100 shares, which is 13.56% of all Glaston shares and votes.

Shareholders
Glaston Corporation's largest shareholders on 31 December 2013, the distribution of share ownership by number of shares, and the distribution of ownership by shareholder group are presented in Note 4 of the consolidated financial statements. Information on the Glaston Corporation shares owned by Members of the Board of Directors and the President & CEO is presented in Note 30 of the consolidated financial statements.

Glaston Corporation is unaware of any shareholder agreements or arrangements relating to share ownership or the exercise of votes.

Events after the review period
On 21 January 2014, Glaston Corporation's Board of Directors decided on a new incentive scheme for the Group's key personnel as part of a long-term incentive and commitment scheme for the senior management of the Group and its subsidiaries. The incentive scheme is tied to the development of Glaston's share price. The scheme covers the years 2014–2016 and the possible rewards will be paid in spring 2017. The incentive scheme covers 34 key Glaston personnel.

In addition, the Board of Directors decided that the share-based incentive scheme for 2012–2014, announced on 12 December 2011, will be withdrawn. No rewards were paid under the scheme during its period of validity.

At its meeting held on 23 January 2014, the Nomination Board appointed by the Annual General Meeting gave its proposal on the number of the Members of the Board of Directors and on the composition and remuneration of the Board of Directors.

Risks and risk management
Glaston operates globally, and changes in the development of the world economy directly affect the Group's operations and risks. A strategic risk for Glaston is above all the loss of the Group's market shares, particularly in the most strongly developing markets in Asia and South America as well as in Europe. The arrival of a competing machine and glass processing technology on the market in connection with technological development, which would require Glaston to make considerable product development investments, as well as changes to legislation regulating the company are also strategic risks. Glaston's most significant operational risks include cost development relating to operational activity, management of large customer projects, the availability of components, management of the contractual partner and subcontractor network, product development, succeeding in the effective protection of intellectual property rights and efficient production as well as the availability and permanence of expert personnel. Glaston continually develops its information systems and despite careful planning, temporary disruptions to operations might be associated with the introduction stages.

The Group's financial risks consist of foreign exchange, interest rate, credit loss, counterparty and liquidity risks. The nature of international business means that the Group has risks arising from fluctuations in foreign exchange rates. Changes in interest rates represent an interest rate risk. Credit loss and counterparty risks arise mainly from risks associated with the payment period granted to customers. Liquidity risk is the risk that the Group's negotiated credit facilities are insufficient to cover the financial needs of the business or that obtaining new funding for these needs will cause a significant increase in financing costs.

Uncertainties and risks in the near future

In Glaston's business environment there continues to be uncertainty, which impacts customers' investment activity.

Global economic uncertainty and its impact on the 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 recognised a total of approximately EUR 3.6 million of loan, interest and trade receivables from a counterparty whose financial situation is challenging. Glaston is continuously monitoring the situation and will recognise an impairment loss on these receivables, if necessary.

General business risks and risk management are outlined in more detail in Glaston's 2013 Annual Report and on the company's website www.glaston.net.

Outlook

The company's financial position is stable, our operations have been adjusted to correspond with the current market situation, and our product portfolio is competitive. Now we are able to focus fully on developing and growing our business.

We expect our markets to grow moderately in 2014. We believe that stable development will continue in Asia and South America. We expect the recovery in the North American market to continue. In the EMEA area, signs of recovery were evident towards the end of 2013, and with respect to heat treatment machines we expect this positive trend to continue.

Strong investment in product development will continue. In addition to the RC and FC product series, we expect increased sales of new pre-processing machines and the new GlastonAir™ technology.

Glaston operates in growing markets. Drivers of growth include increasing use of safety glass, more widespread utilisation of energy-saving glass in both renovations and new construction, and greater use of glass in construction generally. In accordance with our new strategy, as well as on our traditional key areas of expertise, namely glass processing machines and related services covering the entire lifecycle of products, we will increasingly focus on enhancing customer benefit and customer experience.

Glaston expects 2014 net sales and operating profit to grow.

Board of Directors' proposal on the distribution of profits
The distributable funds of Glaston Corporation, the parent of Glaston Group, total EUR 51,587,237, of which the profit for the financial year is EUR 4,421,694.

The Board of Directors proposes to the Annual General Meeting that no dividend be distributed from the profit for the year nor from retained earnings, and that equity is not returned from the reserve for invested unrestricted equity. EUR 51,587,237 will be left in distributable funds.

Helsinki, 6 February 2014
Glaston Corporation
Board of Directors

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

GLASTON CORPORATION
Agneta Selroos
Director, Communications and Marketing

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

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

GLASTON CORPORATION

CONDENSED FINANCIAL STATEMENTS AND NOTES 1 JANUARY - 31 DECEMBER 2013

These condensed financial statements are audited. Auditor’s report has been given on 6 February, 2014. Quarterly information and interim reports 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	31.12.2013	restated 31.12.2012
Assets		
Non-current assets		
Goodwill	36.8	36.8
Other intangible assets	8.7	10.7
Property, plant and equipment	6.9	7.3
Investments in associates	-	-
Available-for-sale assets	0.3	0.3
Loan receivables	1.8	1.8
Deferred tax assets	3.7	6.7
Total non-current assets	**58.3**	**63.8**
Current assets		
Inventories	19.7	21.8
Receivables		
Trade and other receivables	30.5	31.2
Assets for current tax	0.7	0.9
Total receivables	31.2	32.0
Cash equivalents	16.4	10.6
Assets held for sale	-	29.8
Total current assets	**67.3**	**94.2**
Total assets	**125.6**	**158.0**

	31.12.2013	restated 31.12.2012
Equity and liabilities		
Equity		
Share capital	12.7	12.7
Share premium account	25.3	25.3
Other restricted equity reserves	0.1	0.0
Reserve for invested unrestricted equity	47.3	26.8
Treasury shares	-3.3	-3.3
Fair value reserve	0.1	0.1
Other unrestricted equity reserves	0.1	0.1
Retained earnings and exchange differences	-33.1	-8.9
Net result attributable to owners of the parent	1.3	-22.4
Equity attributable to owners of the parent	**50.4**	**30.3**
Non-controlling interest	**0.3**	**0.3**
Total equity	**50.7**	**30.6**
Non-current liabilities		
Convertible bond	-	8.2
Non-current interest-bearing liabilities	11.6	4.1

Non-current interest-free liabilities and provisions	2.7	2.6
Deferred tax liabilities	1.0	1.3
Total non-current liabilities	**15.3**	**16.2**
Current liabilities		
Current interest-bearing liabilities	13.4	56.2
Current provisions	2.6	3.5
Trade and other payables	43.3	46.4
Liabilities for current tax	0.4	0.3
Liabilities related to assets held for sale	-	4.7
Total current liabilities	**59.7**	**111.2**
Total liabilities	**74.9**	**127.4**
Total equity and liabilities	**125.6**	**158.0**

CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	10-12/2013	restated 10-12/2012	1-12/2013	restated 1-12/2012
Net sales	**35.9**	**32.3**	**122.2**	**115.6**
Other operating income	0.1	0.4	4.4	1.1
Expenses	-33.0	-33.2	-116.2	-117.1
Depreciation, amortization and impairment	-1.2	-1.4	-4.6	-8.4
Operating result	**1.9**	**-1.9**	**5.9**	**-8.8**
Financial items, net	-0.9	-3.5	-1.0	-8.6
Result before income taxes	**0.9**	**-5.5**	**4.9**	**-17.4**
Income taxes	-2.6	-0.9	-3.6	-0.8
Profit / loss for the period from continuing operations	**-1.7**	**-6.4**	**1.3**	**-18.2**
Profit / loss after tax for the period from discontinued operations	**0.0**	**1.0**	**0.0**	**-4.2**
Profit / loss for the period	**-1.7**	**-5.3**	**1.3**	**-22.4**
Attributable to:				
Owners of the parent	-1.7	-5.3	1.3	-22.4
Non-controlling interest	0.0	0.0	0.0	0.0
Total	**-1.7**	**-5.3**	**1.3**	**-22.4**
Earnings per share, EUR, continuing operations	-0.01	-0.06	0.01	-0.16
Earnings per share, EUR, discontinued operations	0.00	0.01	0.00	-0.04
Earnings per share, EUR, basic and diluted	**-0.01**	**-0.05**	**0.01**	**-0.20**
Operating result, continuing operations , as % of net sales	5.2	-6.0	4.8	-7.6
Profit / loss for the period, continuing operations , as % of net sales	-4.7	-19.7	1.1	-15.8
Profit / loss for the period, as % of net sales	-4.7	-16.5	1.1	-19.4
Non-recurring items included in operating result, continuing operations	0.0	-	3.7	-5.4

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Operating result, non-recurring items excluded, continuing operations	1.9	-1.9	2.1	-3.4
Operating result, continuing operations, non-recurring items excluded, as % of net sales	5.2	-6.0	1.7	-2.9

CONSOLIDATED STATEMENT OF COMPEREHENSIVE INCOME

	10-12/2013	restated 10-12/2012	1-12/2013	restated 1-12/2012
Profit / loss for the period	**-1.7**	**-5.3**	**1.3**	**-22.4**
Other comprehensive income that will be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	0.2	0.0	0.6	0.2
Fair value changes of available-for-sale assets	0.0	0.0	0.0	0.0
Income tax on other comprehensive income	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
Actuarial gains and losses arising from defined benefit plans	0.0	-0.2	0.0	-0.2
Income tax on other actuarial gains and losses arising from defined benefit plans	-	0.1	-	0.1
Other comprehensive income for the reporting period, net of tax	**0.1**	**-0.2**	**0.5**	**0.0**
Total comprehensive income for the reporting period	**-1.6**	**-5.5**	**1.8**	**-22.4**
Attributable to:				
Owners of the parent	-1.6	-5.5	1.8	-22.3
Non-controlling interest	0.0	0.0	0.0	0.0
Total comprehensive income for the reporting period	**-1.6**	**-5.5**	**1.8**	**-22.4**

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1-12/2013	restated 1-12/2012
Cash flows from operating activities		
Cash flow before change in net working capital	6.3	1.1
Change in net working capital	0.9	-2.3
Net cash flow from operating activities	**7.1**	**-1.1**
Cash flow from investing activities		
Business combinations	-	-0.1
Other purchases of non-current assets	-2.8	-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	0.2
Net cash flow from investing activities	**22.5**	**-5.5**
Cash flow before financing	**29.6**	**-6.6**
Cash flow from financing activities		
Share issue, net	9.1	-
Increase in non-current liabilities	14.8	0.1
Decrease in non-current liabilities	-43.5	-1.6
Changes in loan receivables (increase - / decrease +)	0.1	0.1
Increase in short-term liabilities	44.4	11.2
Decrease in short-term liabilities	-47.9	-10.3
Net cash flow from financing activities	-23.1	**-0.5**
Effect of exchange rate changes	**-1.0**	**-0.6**
Net change in cash and cash equivalents	**5.5**	**-7.7**
Cash and cash equivalents at the beginning of period	10.9	18.6
Cash and cash equivalents at the end of period	16.4	10.9
Net change in cash and cash equivalents	**5.5**	**-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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Share premium account	Other restr. equity reserves	Treasury shares	Fair value and other reserves	Retained earnings	Exch. diff.	Equity attr. to owners of the parent	Non-contr. interest	Total equity
Equity at 1 January, 2012, restated	**12.7**	**25.3**	**26.8**	**-3.3**	**0.0**	**-8.6**	**-0.3**	**52.6**	**0.3**	**53.0**
Total comprehensive income for the period	-	-	-	-	0.0	-22.5	0.2	-22.3	0.0	-22.4
Reversal of unpaid dividends	-	-	-	-	-	0.0	-	0.0	-	0.0
Reclass-ification	-	-	-	-	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 31 December, 2012, restated	**12.7**	**25.3**	**26.8**	**-3.3**	**0.1**	**-31.2**	**-0.1**	**30.3**	**0.3**	**30.6**

EUR million	Share capital	Share premium account	Other restr. equity reserves	Treasury shares	Fair value and other reserves	Retained earnings	Exch. diff.	Equity attr. to owners of the parent	Non-contr. interest	Total equity
Equity at 1 January, 2013, restated	**12.7**	**25.3**	**26.8**	**-3.3**	**0.1**	**-31.2**	**-0.1**	**30.3**	**0.3**	**30.6**
Total comprehensive income for the period	-	-	-	-	0.0	1.3	0.6	1.8	0.0	1.8
Reclassi-fication	-	-	-	-	0.1	-0.1	-	0.0	-	0.0
Share-based incentive plan	-	-	-	-	-	-	-	0.0	-	0.0
Share-based incentive plan, tax effect	-	-	-	-	-	-	-	0.0	-	0.0
Share issue less of costs	-	-	9.1	-	-	-	-	9.1	-	9.1
Share issue paid with convertible and debenture bonds	-	-	11.4	-	-	-1.9	-	9.5	-	9.5
Result effect of the	-	-	-	-	-	-0.4	-	-0.4	-	-0.4

conversion issue									
Equity at 31 December, 2013	**12.7**	**25.3**	**47.3**	**-3.3**	**0.2**	**-32.3**	**0.5**	**50.4**	**0.3**	**50.7**

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

	31.12.2013	restated 31.12.2012
EBITDA, as % of net sales [1]	8.6	-0.3
Operating result (EBIT), as % of net sales	4.8	-7.6
Profit / loss for the period, as % of net sales	1.1	-19.4
Gross capital expenditure, continuing and discontinued operations, EUR million	2.8	5.6
Gross capital expenditure, as % of net sales of continuing and discontinued operations	2.2	4.1
Equity ratio, %	45.4	21.6
Gearing, %	49.3	224.0
Net gearing, %	16.9	188.4
Net interest-bearing debt, EUR million	8.6	57.7
Capital employed, end of period, EUR million	75.6	99.2
Return on equity, %, annualized	3.2	-53.6
Return on capital employed, %, annualized	9.9	-12.6
Return on capital employed, continuing operations %, annualized	9.8	-9.4
Number of personnel, average	590	820
Number of personnel, continuing operations , end of period	581	602
Number of personnel, discontinued operations, end of period	-	175
Number of personnel, end of period	581	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

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PER SHARE DATA

	31.12.2013	restated 31.12.2012
Number of registered shares, end of period, treasury shares excluded (1,000)	192,920	104,800
Number of shares issued, end of period, adjusted with share issue, treasury shares excluded (1,000)	192,920	113,241
Number of shares, average, adjusted with share issue, treasury shares excluded (1,000)	174,146	113,241
Number of shares, dilution effect of the convertible bond taken into account, average, adjusted with share issue, treasury shares excluded (1,000) [(]	175,860	120,514
EPS, continuing operations , basic and diluted, adjusted with share issue, EUR	0,01	-0,16
EPS, Discontinued Operations, basic and diluted, adjusted with share issue, EUR	0,00	-0,04
EPS, total, basic and diluted, adjusted with share issue, EUR	0,01	-0,20
Adjusted equity attributable to owners of the parent per share, EUR	0,26	0,27
Price per adjusted earnings per share (P/E) ratio	53,8	-1,3
Price per adjusted equity attributable to owners of the parent per share	1,53	0,97
Market capitalization of registered shares, EUR million	77,2	27,2
Share turnover, % (number of shares traded, % of the average registered number of shares)	20,7	16,9
Number of shares traded, (1,000)	35,594	17,736
Closing price of the share, EUR	0.40	0.26
Highest quoted price, EUR	0.44	0.74
Lowest quoted price, EUR	0.22	0.23
Volume-weighted average quoted price, EUR	0.35	0.39

DEFINITIONS OF KEY RATIOS

Per share data

Earnings per share (EPS), continuing operations:
Net result of continuing operations attributable to owners of the parent / Adjusted average number of shares

Earnings per share (EPS), discontinued operations:
Net result of discontinued operations attributable to owners of the parent / Adjusted average number of shares

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

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

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

Dividend payout ratio:
(Dividend per share x 100) / Earnings per share

Dividend yield:
(Dividend per share x 100) / Share price at end of the period

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

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

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

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

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

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

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

Financial ratios

EBITDA:
Profit / loss of continuing operations before depreciation, amortization and impairment, share of associates' results included

Operating result (EBIT):
Profit / loss of continuing operations after depreciation, amortization and impairment, share of associates' results included

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

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

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

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

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

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

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

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

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

ACCOUNTING PRINCIPLES

The consolidated financial statements of Glaston Group are prepared in accordance with International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and Interpretations issued by the International Financial Reporting Interpretations Committee (SIC and IFRIC). International Financial Reporting Standards are standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council. The Notes to the Financial Statements are also in accordance with the Finnish Accounting Act and Ordinance and the Finnish Companies' Act.

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Reporting as approved by the European Union. They do not include all the information required for full annual financial statements.

The accounting principles applied in these condensed consolidated financial statements are the same as those applied by Glaston in its consolidated financial statements as at and for the year ended 31 December, 2012, with the exception of the following new or revised or amended standards and interpretations which have been applied from 1 January, 2013:

Revised IAS 19 Employee Benefits standard changes the recognition of actuarial gains and losses. The corridor method is no longer allowed in recognizing actuarial gains and losses but they are recognized in other comprehensive income. Only current and past service costs as well as net interest on net defined benefit liability can be recorded in profit or loss. Other changes in net defined benefit liability are recognized in other comprehensive income with not subsequent recycling to profit or loss. The revised IAS 19 standard is applied retrospectively. As a result of applying the revised IAS 19, Glaston's liabilities from defined benefit plans increased approximately EUR 0.4 million and equity decreased approximately EUR 0.5 million.

IFRS 13 Fair Value Measurement
The new standard sets out the requirement to determine fair value and to disclose related information in the financial statements. IFRS 13 extends the disclosure requirement for assets measured at the fair value not included in financial assets.
The new standard is not expected to have material impact on consolidated financial statements.

IAS 1 (Amendment) Presentation of Financial Statements
The most significant change is the requirement to group the items included in the statement of comprehensive income, depending on their potential recognition through profit or loss in the future (reclassification adjustments) The amendment has no effect on which items are presented in the statement of comprehensive income but they do affect the method of presentation in consolidated financial statements.

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

Glaston will apply the following new or revised or amended standards and interpretations from 1 January, 2014, if EU has approved them:

IFRS 10 Consolidated Financial Statements
Standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities. The standard define s the principles of control and establishes control as the basis for consolidation. The amendment of IFRS 10 does not affect the consolidated financial statements of Glaston.

IFRS 11 Joint Arrangements
Standard outlines the accounting by entities that jointly control an arrangement. Joint control involves the contractual agreed sharing of control and arrangements subject to joint control and classified as either a joint venture or joint operation.
The amendment does not have an impact on the consolidated financial statements.

IFRS 12 Disclosure of Interests in Other Entities
Standard is a consolidated disclosure standard requiring a wide range of disclosures about an entity's interests in subsidiaries, join arrangements, associates and unconsolidated structured entities. The new standard extends the scope of Group disclosures about its interests in other entities.

IFRS 27 (revised) Separate Financial Statements
The amended IAS 27 outlines the accounting and disclosure requirements for separate financial statements remaining after sections regarding control were included in the new IFRS 10. The amendment does not have a material impact on the consolidated financial statements.

IFRS 28 (revised) Investments in Associates and Joint Ventures
The amended standard outlines how to apply the equity method to investments in associates and joint ventures following the publication of IFRS 11.
The amendment does not have a material impact on the consolidated financial statements.

IAS 32 (amended) Financial Instruments: presentation on asset and liability offsetting
The amendment clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.
The amendment does not have a material impact on the consolidated financial statements.

IAS 36 (amended) Impairment of assets on recoverable amount disclosures
The amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

Other new or amended standards or interpretations applicable from 1 January, 2014 are not material for Glaston Group.

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

The non-recurring items of 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	10-12/ 2013	10-12/ 2012	1-12/ 2013	1-12/ 2012
External sales	28.1	22.7	92.6	84.7
Intersegment sales	0.0	0.0	0.0	0.0
Net sales	**28.1**	**22.7**	**92.6**	**84.7**
EBIT excluding non-recurring items	**1.7**	**0.5**	**2.3**	**-2.6**
EBIT-%, excl. non-recurring items	6.0	2.1	2.5	-3.1
Non-recurring items	0.0	-1.8	0.0	-4.7
EBIT	**1.7**	**-1.3**	**2.3**	**-7.3**
EBIT-%	6.0	-5.7	2.5	-8.6
Net working capital			25.4	30.0
Number of personnel, average			448	492
Number of personnel, end of period			441	461

Services

EUR million	10-12/ 2013	10-12/ 2012	1-12/ 2013	1-12/ 2012
External sales	7.7	9.5	28.9	30.8
Intersegment sales	0.3	0.3	1.3	1.5
Net sales	**8.0**	**9.9**	**30.2**	**32.3**
EBIT excluding non-recurring items	**1.7**	**2.0**	**5.3**	**5.9**
EBIT-%, excl. non-recurring items	21.2	19.9	17.6	18.3
Non-recurring items	-	-0.1	0.0	-0.1
EBIT	**1.7**	**1.9**	**5.3**	**5.8**
EBIT-%	21.2	18.8	17.6	18.0
Net working capital			21.9	23.1
Number of personnel, average			130	129
Number of personnel, end of period			128	130

Glaston Group

Net sales

EUR million	10-12/ 2013	10-12/ 2012	1-12/ 2013	1-12/ 2012
Machines	28.1	22.7	92.6	84.7
Services	8.0	9.9	30.2	32.3
Other and intersegment sales	-0.2	-0.3	-0.6	-1.4
Glaston Group total	**35.9**	**32.3**	**122.2**	**115.6**

EBIT

EUR million	10-12/ 2013	10-12/ 2012	1-12/ 2013	1-12/ 2012
Machines	1.7	0.5	2.3	-2.6
Services	1.7	2.0	5.3	5.9
Other and eliminations	-1.5	-1.9	-5.5	-6.7
EBIT excluding non-recurring items	**1.9**	**0.5**	**2.1**	**-3.4**
Non-recurring items	0.0	-2.4	3.7	-5.4
EBIT, continuing operations	**1.9**	**-1.9**	**5.9**	**-8.8**
Net financial items	-0.9	-3.5	-1.0	-8.6
Result before income taxes from continuing operations	**0.9**	**-5.5**	**4.9**	**-17.4**
Income taxes from continuing operations	-2.6	-0.9	-3.6	-0.8
Result from continuing operations	**-1.7**	**-6.4**	**1.3**	**-18.2**
Net discontinued operations	0.0	1.0	0.0	-4.2
Net result	**-1.7**	**-5.3**	**1.3**	**-22.4**
Number of personnel, average			590	634
Number of personnel, end of period			581	602

Segment assets

EUR million	31.12.2013	31.12.2012
Machines	66.2	73.4
Services	27.7	29.0
Total segments	**93.9**	**102.4**
Unallocated and eliminations and adjustments	4.9	2.8
Total segment assets	**98.8**	**105.2**
Other assets	26.8	52.8
Total assets	**125.6**	**158.0**

Segment liabilities

EUR million	31.12.2013	31.12.2012
Machines	40.9	43.4
Services	5.8	6.0
Total segments	**46.7**	**49.4**
Unallocated and eliminations and adjustments	1.9	2.3
Total segment liabilities	**48.6**	**51.7**
Other liabilities	26.3	75.6
Total liabilities	**74.9**	**127.4**

Net working capital

EUR million	31.12.2013	31.12.2012
Machines	25.4	30.0
Services	21.9	23.1
Total segments	**47.2**	**53.0**
Unallocated and eliminations and adjustments	2.9	0.5
Total Glaston Group	**50.2**	**53.5**

Order intake (continuing operations)

EUR million	**31.12.2013**	**31.12.2012**
Machines	94.5	86.3
Services	28.7	31.8
Total Glaston Group	**123.3**	**118.1**

EUR million	**31.12.2013**	**31.12.2012**
EMEA	50.6	48.2
Asia	27.2	25.4
America	44.4	42.0
Total	**122.2**	**115.6**

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

Continuing operations

Machines

EUR million	**10-12/ 2013**	**7-9/ 2013**	**4-6/ 2013**	**1-3/ 2013**	**10-12/ 2012**	**7-9/ 2012**	**4-6/ 2012**	**1-3/ 2012**
External sales	28.1	19.0	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	0.0	0.0
Net sales	**28.1**	**19.1**	**26.4**	**19.1**	**22.7**	**18.4**	**21.7**	**21.9**
EBIT excluding non-recurring items	**1.7**	**0.0**	**1.0**	**-0.4**	**0.5**	**-0.5**	**-1.7**	**-0.9**
EBIT-%, excl. non-recurring items	6.0	-0.2	4.0	-1.9	2.1	-2.5	-7.8	-4.1
Non-recurring items	0.0	0.0	0.0	0.0	-1.8	-	-	-3.0
EBIT	**1.7**	**0.0**	**1.1**	**-0.4**	**-1.3**	**-0.5**	**-1.7**	**-3.9**
EBIT-%	6.0	-0.2	4.0	-2.0	-5.7	-2.5	-7.8	-17.7

Services

EUR million	**10-12/ 2013**	**7-9/ 2013**	**4-6/ 2013**	**1-3/ 2013**	**10-12/ 2012**	**7-9/ 2012**	**4-6/ 2012**	**1-3/ 2012**
External sales	7.7	7.2	6.7	7.2	9.5	6.3	6.7	8.3
Intersegment sales	0.3	0.3	0.3	0.5	0.3	0.6	0.3	0.2
Net sales	**8.0**	**7.5**	**7.0**	**7.7**	**9.9**	**6.8**	**7.0**	**8.5**
EBIT excluding non-recurring items	**1.7**	**1.2**	**1.2**	**1.2**	**2.0**	**1.2**	**1.0**	**1.7**
EBIT-%, excl. non-recurring items	21.2	16.5	16.7	15.6	19.9	18.1	13.7	20.5
Non-recurring items	-	-	-	0.0	-0.1	-	-	-
EBIT	**1.7**	**1.2**	**1.2**	**1.2**	**1.9**	**1.2**	**1.0**	**1.7**
EBIT-%	21.2	16.5	16.7	15.6	18.8	18.1	13.7	20.5

Net sales

EUR million	10-12/ 2013	7-9/ 2013	4-6/ 2013	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012
Machines	28.1	19.1	26.4	19.1	22.7	18.4	21.7	21.9
Services	8.0	7.5	7.0	7.7	9.9	6.8	7.0	8.5
Other and intersegment sales	-0.2	-0.3	0.3	-0.4	-0.3	-0.6	-0.3	-0.2
Glaston Group total	**35.9**	**26.3**	**33.7**	**26.4**	**32.3**	**24.6**	**28.5**	**30.2**

EBIT

EUR million	10-12/ 2013	7-9/ 2013	4-6/ 2013	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012
Machines	1.7	0.0	1.0	-0.4	0.5	-0.5	-1.7	-0.9
Services	1.7	1.2	1.2	1.2	2.0	1.2	1.0	1.7
Other and eliminations	-1.5	-1.6	-1.2	-1.2	-1.9	-1.2	-2.0	-1.6
EBIT excluding non-recurring items	**1.9**	**-0.4**	**1.1**	**-0.4**	**0.5**	**-0.4**	**-2.7**	**-0.7**
Non-recurring items	0.0	0.0	0.0	3.7	-2.4	-	-	-3.0
EBIT	**1.9**	**-0.4**	**1.1**	**3.4**	**-1.9**	**-0.4**	**-2.7**	**-3.7**

Order book (continuing operations)

EUR million	31.12. 2012	30.9 .2012	30.6. 2012	31.3. 2012	31.12. 2011	30.9. 2011	30.6. 2011	31.3. 2011
Machines	38.0	40.0	32.2	37.8	33.1	31.3	30.8	34.2
Services	1.1	2.0	1.6	1.6	1.1	4.0	3.3	1.1
Total Glaston Group	**39.1**	**42.0**	**33.8**	**39.4**	**34.2**	**35.3**	**34.1**	**35.2**

Order intake (continuing operations)

EUR million	10-12/ 2013	7-9/ 2013	4-6/ 2013	1-3/ 2013	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012
Machines	26.3	26.7	20.3	21.4	25.5	21.1	19.1	20.7
Services	7.1	7.6	6.7	7.5	7.9	7.3	9.1	7.6
Total Glaston Group	**33.3**	**34.2**	**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	1-12/2013	1-12/2012
Revenue	1.8	21.0
Expenses	-1.2	-19.2
Gross profit	**0.5**	**1.7**
Finance costs, net	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**	**-3.5**
Current income tax	-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**	**-4.2**

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

Assets and liabilities of disposal group classified as held for sale

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

	31.12.2013	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	1-12/2013	1-12/2012
Operating	1.0	2.8
Investing	-0.3	-3.1
Financing	0.0	0.0
Net cash flow	**0.7**	**-0.3**

CONTINGENT LIABILITIES

EUR million	31.12.2013	31.12.2012
Mortgages and pledges		
On own behalf	303.3	470.8
On behalf of others	0.0	0.1
Guarantees		
On own behalf	4.1	0.4
On behalf of others	0.0	0.0
Lease obligations	18.5	7.2
Other obligation on own behalf	0.7	0.5

Mortgages and pledges include EUR 90.7 million shares in group companies and EUR 44.0 million receivables from group companies.

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

DERIVATIVE INSTRUMENTS

EUR million	31.12.2013		31.12.2012	
	Nominal value	Fair value	Nominal value	Fair value
Commodity derivatives				
Electricity forwards	0.4	-0.1	0.3	0.0

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

PROPERTY, PLANT AND EQUIPMENT

EUR million

Changes in property, plant and equipment	**1-12/2013**	**1-12/2012**
Carrying amount at beginning of the period	7.3	18.7
Additions	1.0	0.5
Disposals	0.0	-0.0
Depreciation	-1.3	-2.2

glaston seeing it through

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	-9.6
Exchange differences	-0.1	-0.1
Carrying amount at end of the period	6.9	7.3

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

Changes in intangible assets	**1-12/2013**	**1-12/2012**
Carrying amount at beginning of the period	47.6	70.8
Additions	1.4	2.0
Disposals	-0.1	0.0
Depreciation	-3.3	-3.2
Impairment losses and reversals of impairment losses	0.0	-3.0
Reclassification and other changes	-	0.0
Transfer to / from assets held for sale	-	-18.9
Exchange differences	0.0	0.0
Carrying amount at end of the period	45.6	47.6

SHAREHOLDER INFORMATION

20 largest shareholders 31 December, 2013

	Shareholder	**Number of shares**	**% of shares and votes**
1	Etera Mutual Pension Insurance Company	27,593,878	14.25 %
2	Oy G.W.Sohlberg Ab	26,266,100	13.56 %
3	Varma Mutual Pension Insurance Company	17,331,643	8.95 %
4	Suomen Teollisuussijoitus Oy	16,601,371	8.57 %
5	Hymy Lahtinen Oy	10,000,000	5.16 %
6	Yleisradio Pension Foundation	8,887,235	4.59 %
7	Päivikki and Sakari Sohlberg Foundation	4,815,600	2.49 %
8	Investsum Oy	3,480,000	1.80 %
9	Sumelius Bjarne Henning	2,406,504	1.24 %
10	Sijoitusrahasto Danske Invest Suomen Pienyhtiöt	2,244,114	1.16 %
11	Sijoitusrahasto Säästöpankki Pienyhtiöt	2,107,860	1.09 %
12	Sumelius-Fogelholm Birgitta Christina	1,994,734	1.03 %
13	Vakuutusosakeyhtiö Henki-Fennia	1,752,820	0.90 %
14	von Christierson Charlie	1,600,000	0.83 %
15	Metsänen Arto Juhani	1,500,000	0.77 %
16	Oy Nissala Ab	1,500,000	0.77 %
17	Sijoitusrahasto Nordea Pro Suomi	1,400,000	0.72 %
18	Sumelius Bertil Christer	1,398,533	0.72 %
19	Sumelius-Koljonen Barbro	1,350,238	0.70 %
20	Oy Cacava Ab	1,200,000	0.62 %
	20 largest shareholders total	135,430,630	69.91 %
	Nominee registered shareholders	58,202,506	30.09 %
	Other shares	75,200	0.04 %

Total	**193,708,336**	100.00 %
Treasury shares	-788,582	0.41 %
Total excluding treasury shares	**192,919,754**	

Ownership distribution 31 December, 2013

	Shares total	**% of shares and votes**
Corporations	71,930,609	37.1 %
Financial and insurance corporations	6,623,736	3.9 %
Non-profit institutions	6,109,616	3.2 %
Households	47,922,219	24.7 %
Foreign countries	6,164,960	3.2 %
General government	53,832,756	27.8 %
Total	192,583,896	100.0 %
Nominee registered	1,049,240	0.5 %
Total	193,633,136	100.0 %
Not in the book-entry securities system (in joint account)	75,200	0.0 %
Total	**193,708,336**	**100.0 %**

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 consider 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 – December 2012 EUR 0.4 million.

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

Management remuneration (accrual based)

Remuneration of the Board of Directors. accrual based

	2013		**2012**	
EUR	annual fee	meeting fee	annual fee	meeting fee
Andreas Tallberg. Chairman of the Board of Directors	40,000	7,600	40,000	7,200
Christer Sumelius. Deputy Chairman of the Board of Directors	30,000	4,900	30,000	4,000
Claus von Bonsdorff	20,000	4,400	20,000	4,500

Teuvo Salminen	20,000	4,900	20,000	4,500
Pekka Vauramo(*	20,000	3,900	20,000	4,500
Anu Hämäläinen (**	20,000	4,900	15,000	3,000
Carl-Johan Rosenbröijer (***			5,000	2,000
Total	**150,000**	**30,600**	**150,000**	**29,700**

(** Member of the Board of Directors from 27 March 2012

(*** Member of the Board of Directors until 27 March 2012

Remuneration of the Executive Management Group. accrual based

EUR	**2013**	**2012**
CEO Arto Metsänen		
Salaries	381,629	359,629
Bonuses	65,131	47,493
Share based payment	159,452	-
Total	606,212	407,122
Fringe benefits	18,722	18,065
Total	**624,934**	**425,187**
Compulsory pension payments (Finnish TyEL or similar plan)	60,443	105,142
Voluntary pension payments	45,429	57,162

EUR	**2013**	**2012**
Other members of the Executive Management Group		
Salaries	1,029,220	1,271,534
Compensations for termination of employment	-	540,000
Bonuses	278,399	22,750
Share- base incentives	266,545	-
Total	1,574,164	1,834,284
Fringe benefits	28,494	99,731
Total	**1,602,658**	**1,934,015**
Compulsory pension payments (Finnish TyEL or similar plan)	207,924	196,519
Voluntary pension payments	27,804	71,767

The remuneration includes salaries only for the period they have been members of the Executive Management Group.

Share-based payments

Share-based incentive plan 2013

On 7 February 2013, Glaston's Board of Directors decided on a new share-based incentive plan for the Group's key personnel. The purpose of the new plan is to unite the objectives of shareholders and key personnel in order to raise the company's value, and to commit key personnel to the company and offer them a competitive bonus plan based on long-term ownership of the company's shares. The share bonus plan has one performance period, which begins on 15 March 2013 and ends on 15 March 2014.

Participation in the scheme and receipt of rewards for the performance period requires that a key employee subscribed for the company's shares in the share issue organised in spring 2013. Rewards of the scheme will be paid in April 2014 as cash instead of shares in accordance with a decision of the Board of Directors, provided that the key employee's employment or service with the Group is in force and that he or she still owns the shares subscribed for in the share issue. If a key employee's employment or service with the Group ends before the payment of a reward, the main principle is that no reward will be paid. The share bonus plan's target group consists of 24 people..

FINANCIAL INSTRUMENTS AT FAIR VALUE

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

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

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

Fair value measurement hierarchy:

Level 1 = quoted prices in active markets

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

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

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

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

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

EUR million	2013	2012
1 January	0.2	0.2
Impairment	-	-
Transfers	-	0.0
31 December	0.2	0.2

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

Fair value hierarchy, fair values

EUR million	31.12. 2013	31.12. 2012
Financial liabilities		
Level 2	-24,1	-62,3
Available-for-sale shares		
Level 1	0,1	0,1
Level 3	0,2	0,2

	0,3	0,3
Derivatives		
Level 2	0,0	0,0