Glaston Interim Report 1 January – 31 March 2014
A quiet start to the year, order book grew

Key points January-March 2014

- Orders received in January-March totalled EUR 26.4 (28.8) million.
- The order book on 31 March 2014 was EUR 41.3 (39.4) million.
- Consolidated net sales in January-March totalled EUR 23.1 (26.4) million.
- EBITDA, excluding non-recurring items, was EUR 0.4 (0.8) million, i.e. 1.7 (3.0)% of net sales.
- The operating result, excluding non-recurring items, was a loss of EUR 0.7 (0.4 loss) million, i.e. -3.2 (-1.4)% of net sales.
- The operating result was a loss of EUR 0.7 (3.4 profit) million, i.e. -3.2 (12.8)% of net sales.
- Continuing Operations' return on capital employed (ROCE) was -3.7 (28.9)%.
- Continuing Operations' earnings per share were EUR -0.00 (0.04). Continuing and Discontinued Operations' earnings per share were EUR -0.00 (0.04).
- Glaston's interest-bearing net debt totalled EUR 9.0 (10.5) million.
- Glaston expects net sales and operating profit to grow in 2014.

President & CEO Arto Metsänen

"Seasonal fluctuations are typical in Glaston's industry and the first quarter is traditionally quiet. Both the crisis in Ukraine and particularly its impact on neighbouring areas as well as a quiet market in Brazil affected order intake in the early part of the year.

Glaston's net sales in the review period totalled EUR 23.1 million and the operating result, excluding non-recurring items, was a loss of EUR 0.7 million. Compared with the corresponding period of the previous year, our relative profitability has developed positively due to a lighter cost structure.

Our order book has developed positively and stood at EUR 41.3 million on 31 March 2014. Deliveries resulting from last year's good order intake will be made after the first quarter. This will create a foundation for a positive performance in 2014. We continue to expect that the market will grow moderately this year.

The Asian market is expected to grow in the long term. As a technology leader, Glaston wants to be well positioned when demand for low emissivity (Low-E) glass and high-quality glass starts to grow. To respond to market needs, we will expand our factory located in Tianjin. The expansion is expected to be completed in autumn 2015."

New segments

On 1 January 2014, Glaston transferred sales of tools from the Machines segment to the Services segment. The Machines segment has been divided into two operating segments: Heat Treatment, which comprises manufacturing and sales of glass tempering, bending and laminating machines, and Pre-processing, which comprises manufacturing and sales of glass pre-processing machines. The Services segment comprises glass processing machine maintenance and service operations, sales of machine upgrades and spare parts, and manufacturing and sales of tools. This interim report is reported according to the new business structure.

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Markets
In the first quarter of 2014, Glaston's markets were relatively quiet at the start of the review period. A pick-up was perceptible, however, towards the end of the review period. Development was stable in the North American and Asian markets. In the EMEA area, the challenging market situation continued. The development of the South American market slowed.

Machines
The market situation of the Machines segment was satisfactory during the first quarter of 2014. In the pre-processing machine market, the difficult market situation continued due to intensifying competition and aggressive pricing. The crisis in Ukraine and the weakness of the Russian rouble affected sales of pre-processing and heat treatment machines.

The cautious recovery of the North American market continued and demand for pre-processing machines in particular developed positively. With respect to heat treatment machines, development in the North American and Asian markets was according to expectations. In the EMEA area, the challenging market situation continued. In the UK, strong demand for heat treatment machines continued.

The Machines segment's January-March net sales were EUR 14.7 (17.0) million and the operating result, excluding non-recurring items, was a loss of EUR 0.8 (0.4 loss) million.

Services
The Services segment market was subdued during January and February, but a significant pick-up was perceptible in the final month of the review period.

Demand for upgrades continued strongly in the EMEA area and in North America. In Asia, demand for upgrades developed positively. Sales of spare parts for heat treatment machines grew in South America. In the EMEA area and in Asia, the market situation was difficult. In Asia, the Japanese market showed signs of picking up, however. Sales of spare parts for pre-processing machines developed in all markets according to plan.

In tools, the Russian situation significantly impacted sales volume in the area, and in Asia, too, the market situation was challenging. In other areas, sales were on the previous year's level.

In the review period, the Services segment concluded a number of significant upgrade deals in Asia and the USA. The biggest deals in the EMEA area were in Egypt and Austria.

In January-March, the Services segment's net sales totalled EUR 8.9 (9.8) million. The operating profit, excluding non-recurring items, was EUR 1.4 (1.2) million. The segment's profitability improved.

Continuing Operations' orders received and order book
Glaston's order intake during the first quarter totalled EUR 26.4 (28.8) million. Of orders received, the Machines segment accounted for 67% and the Services segment 33%.

Glaston's order book on 31 March 2014 was EUR 41.3 (39.4) million. Of the order book, the Machines segment accounted for EUR 39.7 (37.8) million and the Services segment for EUR 1.6 (1.6) million.

Order book, EUR million	**31.3.2014**	**31.3.2013**
Machines	39.7	37.8
Services	1.6	1.6
Total	**41.3**	**39.4**

Continuing Operations' net sales, operating result and result
Net sales for the review period were EUR 23.1 (26.4) million. The Machines segment's net sales in the first quarter were EUR 14.7 (17.0) million and the Services segment's net sales were EUR 8.9 (9.8) million.

Net sales, EUR million	1-3/2014	1-3/2013	2013
Machines	14.7	17.0	84.3
Services	8.9	9.8	38.6
Other and internal sales	-0.5	-0.4	-0.6
Total	**23.1**	**26.4**	**122.2**

The operating result, excluding non-recurring items, was a loss of EUR 0.7 (0.4 loss) million, i.e. -3.2 (-1.4)% of net sales. In January-March, the Machines segment's operating result, excluding non-recurring items, was a loss of EUR 0.8 (0.4 loss) million and the Services segment's operating result, excluding non-recurring items, was a profit of EUR 1.4 (1.2) million.

EBIT, EUR million	1-3/2014	1-3/2013	2013
Machines	-0.8	-0.4	2.4
Services	1.4	1.2	5.2
Other and eliminations	-1.3	-1.2	-5.5
EBIT, excl. non-recurring items	**-0.7**	**-0.4**	**2.1**
Non-recurring items	-	3.7	3.7
EBIT, Continuing Operations	**-0.7**	**3.4**	**5.9**

Continuing Operations' operating result in January-March was a loss of EUR 0.7 (3.4 profit) million. Of the non-recurring items totalling EUR 3.7 million recognised in the first quarter of 2013, the most significant was the sale of the Tampere property complex.

Continuing Operations' result in January-March was a loss of EUR 0.7 (4.7 profit) million. The result, after the result of Discontinued Operations, was a loss of EUR 0.7 (4.7 profit) million. The January-March return on capital employed (ROCE) for Continuing Operations was -3.7 (28.9)%. Return on capital employed was -3.7 (29.4)%.

Earnings per share
Continuing Operations' earnings per share in the first quarter were EUR 0.00 (0.04).

Financial position, cash flow and financing
On 7 February 2013, Glaston signed a new long-term financing agreement. The agreement is valid until 31 January 2016. The covenants used in the financing agreement 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 was 31 March 2014.

Glaston's Interest-bearing net debt totalled EUR 9.0 (10.5) million. The Group's liquid funds at the end of the review period totalled EUR 15.2 (18.1) million. Net gearing was 18.2 (19.6)%.

The equity ratio was 46.0 (44.6)% on 31 March 2014.

At the end of the first quarter, the consolidated asset total was EUR 123.6 (138.3) million. The equity attributable to the owners of the parent was EUR 49.3 (53.3) million. The share issue-adjusted equity per share was EUR 0.26 (0.28). Return on equity in January-March was -5.8 (44.3)%.

Cash flow from the operating activities of Continuing and Discontinued operations, before the change in working capital, was EUR 0.1 (1.4) million in the review period. The change in working capital was EUR 0.1 (0.9) million. Cash flow from investing activities was EUR -0.6 (24.3) million. In 2013 cash flow from investing activities was improved by proceeds from the sales of the Software Solutions segment and the Tampere factory property, a total of EUR 25.4 million during the first quarter 2013. Cash flow from financing activities in January-March was EUR -0.8 (-19.6) million. In 2013, proceeds (less expenses) from the issuances of shares were a net EUR 9.1 million, and repayments of interest-bearing debt totalled EUR -28.8 million.

Capital expenditure, depreciation and amortisation
The gross capital expenditure of Glaston's Continuing and Discontinued Operations totalled EUR 0.6 (1.1) million. The most significant investments in the review period were in product development. Depreciation and amortisation of Continuing Operations on property, plant and equipment and on intangible assets totalled EUR 1.1 (1.2) million.

Changes in the company's management
As of 1 January 2014, Juha Liettyä, member of Glaston's Executive Management Group, was appointed SVP, Machines business area with both the Heat Treatment and Pre-processing product lines as his area of responsibility. Liettyä was previously SVP, Heat Treatment product line in the Machines business area.

Roberto Quintero, SVP, Pre-processing and Tools in the Machines business area and member of Glaston's Executive Management Group, left Glaston on 28 February 2014.

Incentive schemes
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.

Employees
Glaston's Continuing Operations had a total of 589 (598) employees on 31 March 2014. Of the Group's employees, 23% worked in Finland and 28% elsewhere in the EMEA area, 33% in Asia and 16% in the Americas. In review period, the average number of employees was 588 (592).

Shares and share prices
Glaston Corporation's paid and registered share capital on 31 March 2014 was EUR 12.7 million and the number of issued and registered shares totalled 193,708,336. The company has one series of share. At the end of March, the company held 788,582 of the company's own shares (treasury shares), corresponding to 0.41% of the total number of issued and registered shares and votes. The counter book value of treasury shares is EUR 51,685.

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

During the first quarter of the year, a total of around 5.1 million of the company's shares were traded, i.e. around 2.6% of the average number of registered shares. The lowest price paid for a share was EUR 0.39 and the highest price EUR 0.43. The volume-weighted average price of shares traded during January-March was EUR 0.41. The closing price on 31 March 2014 was EUR 0.40.

On 31 March 2014, the market capitalisation of the Glaston's registered shares, treasury shares excluded, was EUR 77.2 (46.3) million. The share issue-adjusted equity per share attributable to the owners of the parent was EUR 0.26 (0.28).

Events after the review period
The Annual General Meeting of Glaston Corporation was held in Helsinki on 2 April 2014. The Annual General Meeting adopted the financial statements and consolidated financial statements for the period 1 January – 31 December 2013.

Deviating from a proposal of the Board of Directors, the Annual General Meeting resolved, in accordance with a proposal presented by shareholders representing more than 10% of the total number of shares in the company, to distribute EUR 0.01 per share, a total of approximately EUR 1.9 million, as the dividend for 2013. The record date for the dividend payment was 7 April 2014 and the dividend will be paid no later than 31 July 2014.

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 2013.

The number of the Members of the Board of Directors was resolved to be six. The Annual General Meeting decided to re-elect Andreas Tallberg, Teuvo Salminen, Claus von Bonsdorff, Pekka Vauramo and Anu Hämäläinen as Members of the Board of Directors for the following term ending at the closing of the next Annual General Meeting, In addition is was decided to elect for the same term Kalle Reponen as a new Member of the Board of Directors to replace Christer Sumelius, who has resigned.

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 Teuvo Salminen as Deputy Chairman of the Board.

The Annual General Meeting resolved that the annual remuneration payable to Members of the Board of Directors will remain unchanged. The Chairman of the Board will 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 2015 and it invalidates earlier authorisations.

Uncertainties and risks in the near future
There continues to be uncertainty in Glaston's business environment. Instability has also been created by the crisis in Ukraine and the weakness of the Russian rouble.

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 3.8 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
Glaston still expects the market overall to grow moderately in 2014. We believe that stable development will continue in Asia. The recovery in the North American market will continue. In South America, the development of the market has slowed. The biggest challenges are in the EMEA area and particularly in Southern and Eastern Europe, where the political situation in Ukraine is causing uncertainty in neighbouring areas.

Glaston operates in growing product and service markets and the company's financial situation is stable. 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, we will increasingly focus on enhancing customer benefit and customer experience as well as on traditional key areas of expertise, namely glass processing machines and related services covering the entire lifecycle of products.

Glaston expects net sales and operating profit to grow in 2014.

Helsinki, 23 April 2014

Glaston Corporation
Board of Directors

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GLASTON CORPORATION

CONDENSED FINANCIAL STATEMENTS AND NOTES 1 JANUARY - 31 MARCH 2014

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	31.3.2014	31.3.2013	31.12.2013
Assets			
Non-current assets			
Goodwill	36.8	36.8	36.8
Other intangible assets	8.4	10.3	8.7
Property, plant and equipment	6.7	8.3	6.9
Available-for-sale assets	0.3	0.3	0.3
Loan receivables	1.8	1.8	1.8
Deferred tax assets	3.8	5.8	3.7
Total non-current assets	**57.7**	**63.3**	**58.3**
Current assets			
Inventories	23.5	26.7	19.7
Receivables			
Trade and other receivables	26.5	29.4	30.5
Assets for current tax	0.7	0.9	0.7
Total receivables	27.1	30.2	31.2
Cash equivalents	15.2	18.1	16.4
Total current assets	**65.8**	**75.0**	**67.3**
Total assets	**123.6**	**138.3**	**125.6**

EUR million	31.3.2014	31.3.2013	31.12.2013
Equity and liabilities			
Equity			
Share capital	12.7	12.7	12.7
Share premium account	25.3	25.3	25.3
Other restricted equity reserves	0.1	0.0	0.1
Reserve for invested unrestricted equity	47.3	47.4	47.3
Treasury shares	-3.3	-3.3	-3.3
Fair value reserve	0.1	0.0	0.1
Other unrestricted equity reserves	0.1	0.1	0.1
Retained earnings and exchange differences	-32.1	-33.5	-33.1
Net result attributable to owners of the parent	-0.7	4.7	1.3
Equity attributable to owners of the parent	**49.3**	**53.3**	**50.4**
Non-controlling interest	**0.3**	**0.3**	**0.3**
Total equity	**49.6**	**53.6**	**50.7**

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Non-current liabilities			
Non-current interest-bearing liabilities	11.6	14.2	11.6
Non-current interest-free liabilities and provisions	2.5	3.2	2.7
Deferred tax liabilities	0.9	1.1	1.0
Total non-current liabilities	**15.0**	**18.6**	**15.3**
Current liabilities			
Current interest-bearing liabilities	12.6	14.4	13.4
Current provisions	3.0	2.9	2.6
Trade and other payables	43.1	48.5	43.3
Liabilities for current tax	0.2	0.3	0.4
Total current liabilities	**59.0**	**66.1**	**59.7**
Total liabilities	**74.0**	**84.7**	**74.9**
Total equity and liabilities	**123.6**	**138.3**	**125.6**

CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	1-3/2014	1-3/2013	1-12/2013
Net sales	**23.1**	**26.4**	**122.2**
Other operating income	0.2	3.9	4.4
Expenses	-22.9	-25.7	-116.2
Depreciation, amortization and impairment	-1.1	-1.2	-4.6
Operating result	**-0.7**	**3.4**	**5.9**
Financial items, net	0.1	2.3	-1.0
Result before income taxes	**-0.7**	**5.7**	**4.9**
Income taxes	-0.1	-1.0	-3.6
Profit / loss for the period from continuing operations	**-0.7**	**4.7**	**1.3**
Profit / loss after tax for the period from discontinued operations	**-**	**0.0**	**0.0**
Profit / loss for the period	**-0.7**	**4.7**	**1.3**
Attributable to:			
Owners of the parent	-0.7	4.7	1.3
Non-controlling interest	-0.0	-0.0	0.0
Total	**-0.7**	**4.7**	**1.3**
Earnings per share, EUR, continuing operations	-0.00	0.04	0.01
Earnings per share, EUR, discontinued operations	-	0.00	0.00
Earnings per share, EUR, basic and diluted	**-0.00**	**0.04**	**0.01**
Operating result, continuing operations , as % of net sales	-3.2	12.8	4.8
Profit / loss for the period, continuing operations , as % of net sales	-3.1	17.7	1.0
Profit / loss for the period, as % of net sales	-3.1	17.7	1.1
Non-recurring items included in operating result, continuing operations	-	3.7	3.7
Operating result, non-recurring items excluded, continuing operations	-0.7	-0.4	2.1
Operating result, continuing operations, non-recurring items excluded, as % of net sales	-3.2	-1.4	1.7

CONSOLIDATED STATEMENT OF COMPEREHENSIVE INCOME

	1-3/2014	1-3/2013	1-12/2013
Profit / loss for the period	**-0.7**	**4.7**	**1.3**
Other comprehensive income that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	-0.3	0.0	0.6
Fair value changes of available-for-sale assets	0.0	-0.0	0.0
Income tax on other comprehensive income	-0.0	0.0	-0.0
Other comprehensive income that will not be reclassified subsequently to profit or loss:			
Exchange differences on actuarial gains and losses arising from defined benefit plans	-0.0	-0.0	0.0
Actuarial gains and losses arising from defined benefit plans	-	-	-0.0
Income tax on other actuarial gains and losses arising from defined benefit plans	-	-	-
Other comprehensive income for the reporting period, net of tax	**-0.3**	**0.0**	**0.5**
Total comprehensive income for the reporting period	**-1.1**	**4.7**	**1.8**
Attributable to:			
Owners of the parent	-1.0	4.7	1.8
Non-controlling interest	-0.0	0.0	-0.0
Total comprehensive income for the reporting period	**-1.1**	**4.7**	**1.8**

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1-3/2014	1-3/2013	1-12/2013
Cash flows from operating activities			
Cash flow before change in net working capital	0.1	1.4	6.3
Change in net working capital	0.1	0.9	0.9
Net cash flow from operating activities	**0.2**	**2.3**	**7.1**
Cash flow from investing activities			
Business combinations	-0.6	-1.1	-2.8
Other purchases of non-current assets	-	12.9	12.9
Proceeds from sale of business	-	12.5	12.4
Proceeds from sale of assets held for sale	0.0	0.0	0.0
Proceeds from sale of other non-current assets	**-0.6**	**24.3**	**22.5**
Net cash flow from investing activities	**-0.4**	**26.6**	**29.6**
Cash flow before financing			
Cash flow from financing activities	-	9.1	9.1
Share issue, net	-	14.7	14.8
Increase in non-current liabilities	-0.0	-43.4	-43.5
Decrease in non-current liabilities	0.0	0.0	0.1
Changes in loan receivables (increase - / decrease +)	-	11.6	44.4
Increase in short-term liabilities	-0.8	-11.6	-47.9
Decrease in short-term liabilities	**-0.8**	**-19.6**	**-23.1**
Net cash flow from financing activities			
Effect of exchange rate changes	**-0.0**	**0.2**	**-1.0**
Net change in cash and cash equivalents	**-1.2**	**7.2**	**5.5**
Cash and cash equivalents at the beginning of period	16.4	10.9	10.9
Cash and cash equivalents at the end of period	15.2	18.1	16.4
Net change in cash and cash equivalents	**-1.2**	**7.2**	**5.5**

2013 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	Reserve for inv. unrestr. equity	Treasury shares	Fair value and other reserves	Ret. earn-ings	Exch. Diff.	Equity attr. to owners of the parent	Non-contr. interest	Total equity
Equity at 1 January, 2013	**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	4.7	0.0	4.7	0.0	4.7
Share-based incentive plan	-	-	-	-	-	0.0	-	0.0	-	0.0
Share-based incentive plan, tax effect	-	-	-	-	-	-0.0	-	-0.0	-	-0.0
Share issue	-	-	10.0	-	-	-	-	10.0	-	10.0
Share issue, costs	-	-	-0.9	-	-	-	-	-0.9	-	-0.9
Share issue paid with convertible and debenture bonds	-	-	11.4	-	-	-0.4	-	11.0	-	11.0
Result effect of the conversion issue	-	-	-	-	-	-1.9	-	-1.9	-	-1.9
Equity at 31 March, 2013	**12.7**	**25.3**	**47.4**	**-3.3**	**0.1**	**-28.8**	**-0.0**	**53.3**	**0.3**	**53.6**

EUR million	Share capital	Share premium account	Reserve for inv. unrestr. equity	Treasury shares	Fair value and other reserves	Ret. earn-ings	Exch. diff.	Equity attr. to owners of the parent	Non-contr. interest	Total equity
Equity at 1 January, 2014	**12.7**	**25.3**	**47.3**	**-3.3**	**0.2**	**-32.3**	**0.5**	**50.4**	**0.3**	**51.0**
Total comprehensive income for the period	-	-	-	-	-0.0	-0.7	-0.3	-1.0	-0.0	-1.1
Equity at 31 March, 2014	**12.7**	**25.3**	**47.3**	**-3.3**	**0.2**	**-33.0**	**0.2**	**49.3**	**0.3**	**49.6**

During the first quarter 2013, 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 2013, 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 2013 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

	31.3.2014	31.3.2013	31.12.2013
EBITDA, as % of net sales (1	1.7	17.2	8.6
Operating result (EBIT), as % of net sales	-3.2	12.8	4.8
Profit / loss for the period, as % of net sales	-3.1	17.7	1.1
Gross capital expenditure, continuing and discontinued operations, EUR million	0.6	1.1	2.8
Gross capital expenditure, as % of net sales of continuing and discontinued operations	2.6	3.9	2.2
Equity ratio, %	46.0	44.6	45.4
Gearing, %	48.7	53.4	49.3
Net gearing, %	18.2	19.6	16.9
Net interest-bearing debt, EUR million	9.0	10.5	8.6
Capital employed, end of period, EUR million	73.8	82.2	75.6
Return on equity, %, annualized	-5.8	44.3	3.2
Return on capital employed, %, annualized	-3.7	29.4	9.9
Return on capital employed, continuing operations %, annualized	-3.7	28.9	9.8
Number of personnel, average	588	592	590
Number of personnel, end of period	589	598	581

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

PER SHARE DATA

	31.3.2014	31.3.2013	31.12.2013
Number of registered shares, end of period, treasury shares excluded (1,000)	192,920	192,920	192,920
Number of shares issued, end of period, adjusted with share issue, treasury shares excluded (1,000)	192,920	192,920	192,920
Number of shares, average, adjusted with share issue, treasury shares excluded (1,000)	192,920	116,782	174,146
Number of shares, dilution effect of the convertible bond taken into account, average, adjusted with share issue, treasury shares excluded (1,000) (	192,920	116,782	175,860
EPS, continuing operations , basic and diluted, adjusted with share issue, EUR	-0.00	0.04	0.01
EPS, Discontinued Operations, basic and diluted, adjusted with share issue, EUR	-	0.00	0.00
EPS, total, basic and diluted, adjusted with share issue, EUR	-0.00	0.04	0.01
Adjusted equity attributable to owners of the parent per share, EUR	0.26	0.28	0.26
Dividend per share, EUR	-	-	0.01
Dividend payout ratio, %	-	-	134.5
Dividend yield	-	-	2.5
Price per adjusted earnings per share (P/E) ratio	-109.0	6.0	53.8
Price per adjusted equity attributable to owners of the parent per share	1.56	0.87	1.53

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Market capitalization of registered shares, EUR million	77.2	46.3	77.2
Share turnover, % (number of shares traded, % of the average registered number of shares)	2.6	5.8	20.7
Number of shares traded, (1,000)	5,082	6,343	35,594
Closing price of the share, EUR	0.40	0.24	0.40
Highest quoted price, EUR	0.43	0.30	0.44
Lowest quoted price, EUR	0.39	0.22	0.22
Volume-weighted average quoted price, EUR	0.41	0.25	0.35

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

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 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, 2013, with the exception that some new or revised or amended standards and interpretations have been applied from 1 January, 2014.

Glaston will apply the following new or revised or amended standards and interpretations from 1 January, 2014.

IFRS 10 Consolidated Financial Statements
The standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities. The standard defines 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
The 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
The 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 2011) 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 2011) 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
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. The reportable segments follow the group's accounting principles. Glaston follows the same commercial terms in transactions between segments as with third parties.

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

On 1 January 2014, Glaston transferred sales of tools from the Machines segment to the Services segment.

The Machines segment has been divided into two operating segments: Heat Treatment, which comprises manufacturing and sales of glass tempering, bending and laminating machines, and Pre-processing, which comprises manufacturing and sales of glass pre-processing machines.

The Services segment comprises glass processing machine maintenance and service operations, sales of machine upgrades and spare parts, and manufacturing and sales of tools.

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.

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

Machines

EUR million	1-3/2014	1-3/2013	1-12/2013
External sales	14.7	17.0	84.2
Intersegment sales	-0.0	0.0	0.0
Net sales	**14.7**	**17.0**	**84.3**
EBIT excluding non-recurring items	**-0.8**	**-0.4**	**2.4**
EBIT-%, excl. non-recurring items	-5.5	-2.3	2.9
Non-recurring items	-	-0.0	-0.0
EBIT	**-0.8**	**-0.4**	**2.4**
EBIT-%	-5.5	-2.3	2.9
Net working capital	17.5	22.3	17.1
Number of personnel, average	349	345	346
Number of personnel, end of period	350	351	343

Services

EUR million	1-3/2014	1-3/2013	1-12/2013
External sales	8.4	9.4	37.3
Intersegment sales	0.6	0.5	1.3
Net sales	**8.9**	**9.8**	**38.6**
EBIT excluding non-recurring items	**1.4**	**1.2**	**5.2**
EBIT-%, excl. non-recurring items	15.9	12.4	13.4
Non-recurring items	-	0.0	0.0
EBIT	**1.4**	**1.2**	**5.2**
EBIT-%	15.9	12.4	13.4
Net working capital	30.8	28.8	30.1
Number of personnel, average	227	237	233
Number of personnel, end of period	228	237	227

Glaston Group

Net sales

EUR million	1-3/2014	1-3/2013	1-12/2013
Machines	14.7	17.0	84.3
Services	8.9	9.8	38.6
Other and intersegment sales	-0.5	-0.4	-0.6
Glaston Group total	**23.1**	**26.4**	**122.2**

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EBIT

EUR million	1-3/2014	1-3/2013	1-12/2013
Machines	-0.8	-0.4	2.4
Services	1.4	1.2	5.2
Other and eliminations	-1.3	-1.2	-5.5
EBIT excluding non-recurring items	**-0.7**	**-0.4**	**2.1**
Non-recurring items	-	3.7	3.7
EBIT, continuing operations	**-0.7**	**3.4**	**5.9**
Net financial items	0.1	2.3	-1.0
Result before income taxes from continuing operations	**-0.7**	**5.7**	**4.9**
Income taxes from continuing operations	-0.1	-1.0	-3.6
Result from continuing operations	**-0.7**	**4.7**	**1.3**
Net discontinued operations	-	0.0	-0.0
Net result	**-0.7**	**4.7**	**1.3**
Number of personnel, average	588	592	590
Number of personnel, end of period	589	598	581

Segment assets

EUR million	1-3/2014	1-3/2013	1-12/2013
Machines	56.3	63.6	56.1
Services	38.0	40.1	37.8
Total segments	**94.3**	**103.7**	**93.9**
Unallocated and eliminations and adjustments	5.1	5.4	4.9
Total segment assets	**99.3**	**109.1**	**98.8**
Other assets	24.2	29.2	26.8
Total assets	**123.6**	**138.3**	**125.6**

Segment liabilities

EUR million	1-3/2014	1-3/2013	1-12/2013
Machines	38.8	41.3	39.0
Services	7.2	11.3	7.7
Total segments	**46.0**	**52.6**	**46.7**
Unallocated and eliminations and adjustments	2.5	2.0	1.9
Total segment liabilities	**48.5**	**54.6**	**48.6**
Other liabilities	25.5	30.1	26.3
Total liabilities	**74.0**	**84.7**	**74.9**

Net working capital

EUR million	1-3/2014	1-3/2013	1-12/2013
Machines	17.5	22.3	17.1
Services	30.8	28.8	30.1
Total segments	**48.3**	**51.1**	**47.2**
Unallocated and eliminations and adjustments	2.6	3.4	2.9
Total Glaston Group	**50.9**	**54.5**	**50.2**

Order intake (continuing operations)

EUR million	1-3/2014	1-3/2013	1-12/2013
Machines	17.6	19.2	86.2
Services	8.8	9.6	37.1
Total Glaston Group	**26.4**	**28.8**	**123.3**

Net sales by geographical areas (continuing operations)

EUR million	1-3/2014	1-3/2013	1-12/2013
EMEA	9.0	9.3	50.6
Asia	6.4	6.7	27.2
America	7.7	10.3	44.4
Total	**23.1**	**26.4**	**122.2**

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

Machines

EUR million	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
External sales	14.7	26.0	16.9	24.3	17.0
Intersegment sales	-0.0	0.0	0.0	0.0	0.0
Net sales	**14.7**	**26.0**	**16.9**	**24.3**	**17.0**
EBIT excluding non-recurring items	**-0.8**	**1.8**	**-0.1**	**1.2**	**-0.4**
EBIT-%, excl. non-recurring items	-5.5	6.8	-0.9	5.0	-2.3
Non-recurring items	-	-0.0	-0.0	0.0	-0.0
EBIT	**-0.8**	**1.8**	**-0.1**	**1.2**	**-0.4**
EBIT-%	-5.5	6.8	-0.9	5.0	-2.3

Services

EUR million	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
External sales	8.4	9.8	9.4	8.8	9.4
Intersegment sales	0.6	0.3	0.3	0.3	0.5
Net sales	**8.9**	**10.1**	**9.6**	**9.0**	**9.8**
EBIT excluding non-recurring items	**1.4**	**1.6**	**1.3**	**1.0**	**1.2**
EBIT-%, excl. non-recurring items	15.9	16.1	13.9	11.2	12.4
Non-recurring items	-	-	-	-	0.0
EBIT	**1.4**	**1.6**	**1.3**	**1.0**	**1.2**
EBIT-%	15.9	16.1	13.9	11.2	12.4

Net sales

EUR million	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Machines	14.7	26.0	16.9	24.3	17.0
Services	8.9	10.1	9.6	9.0	9.8
Other and intersegment sales	-0.5	-0.2	-0.3	0.3	-0.4
Glaston Group total	**23.1**	**35.9**	**26.3**	**33.7**	**26.4**

EBIT

EUR million	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Machines	-0.8	1.8	-0.1	1.2	-0.4
Services	1.4	1.6	1.3	1.0	1.2
Other and eliminations	-1.3	-1.5	-1.6	-1.2	-1.2
EBIT excluding non-recurring items	**-0.7**	**1.9**	**-0.4**	**1.1**	**-0.4**
Non-recurring items	-	-0.0	-0.0	0.0	3.7
EBIT	**-0.7**	**1.9**	**-0.4**	**1.1**	**3.4**

Order book (continuing operations)

EUR million	31.3.2014	31.12.2013	30.9.2013	30.6.2013	31.3.2013
Machines	39.7	38.0	40.0	32.2	37.8
Services	1.6	1.1	2.0	1.6	1.6
Total Glaston Group	**41.3**	**39.1**	**42.0**	**33.8**	**39.4**

Order intake (continuing operations)

EUR million	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Machines	17.6	24.1	24.5	18.2	19.2
Services	8.8	9.2	9.7	8.7	9.6
Total Glaston Group	**26.4**	**33.3**	**34.2**	**26.9**	**28.8**

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

Glaston announced in October 2012 that it was negotiating the 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 discontinued operations in 2013.

Revenue, expenses and result of discontinued operations

EUR million	1-3/2014	1-3/2013	1-12/2013
Revenue	-	1.8	1.8
Expenses	-	-1.3	-1.2
Gross profit	-	**0.5**	**0.5**
Finance costs, net	-	0.0	0.0
Impairment loss recognized on the remeasurement to fair value less cost to sell	-	-	-
Profit / loss before tax from discontinued operations	-	**0.5**	**0.5**
Current income tax	-	-0.1	-0.1
Income tax related to measurement to fair value less costs to sell	-	-0.4	-0.4
Loss from disposal of discontinued operations	-	**0.0**	**0.0**

Net cash flows of discontinued operations

EUR million	1-3/2014	1-3/2013	1-12/2013
Operating	-	1.0	1.0
Investing	-	-0.3	-0.3
Financing	-	-0.0	-0.0
Net cash flow	**-**	**0.6**	**0.7**

CONTINGENT LIABILITIES

EUR million	31.3.2014	31.3.2013	31.12.2013
Mortgages and pledges			
On own behalf	302.4	293.0	303.3
On behalf of others	-	0.1	0.0
Guarantees			
On own behalf	6.6	4.0	4.1
On behalf of others	0.0	0.0	0.0
Lease obligations	19.7	20.0	18.5

Mortgages and pledges include EUR 91.1 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	31.3.2014		31.3.2013		31.12.2013	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Commodity derivatives						
Electricity forwards	0.6	-0.1	0.3	0.0	0.4	-0.1

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.

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PROPERTY, PLANT AND EQUIPMENT

EUR million

Changes in property, plant and equipment	1-3/2014	1-3/2013	1-12/2013
Carrying amount at beginning of the period	6.9	7.3	7.3
Additions	0.1	0.5	1.0
Disposals	0.0	-0.0	-0.0
Depreciation	-0.3	-0.3	-1.3
Impairment losses and reversals of impairment losses	-	-	-0.0
Reclassification and other changes	-	-	-0.7
Transfer to / from assets held for sale	-	0.7	0.7
Exchange differences	-0.1	0.1	-0.1
Carrying amount at end of the period	6.7	8.3	6.9

At the end of March 2014 or 2013 Glaston did not have of contractual commitments for the acquisition of property, plant and equipment.

Changes in intangible assets	1-3/2014	1-3/2013	1-12/2013
Carrying amount at beginning of the period	45.6	47.6	47.6
Additions	0.5	0.3	1.4
Disposals	-	-0.0	-0.1
Depreciation	-0.8	-0.8	-3.3
Impairment losses and reversals of impairment losses	-	-0.0	-0.0
Reclassification and other changes	0.0	-	-
Exchange differences	-0.0	0.0	-0.0
Carrying amount at end of the period	45.2	47.1	45.6

SHAREHOLDER INFORMATION

20 largest shareholders 31 March, 2014

	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	9,600,000	4.96 %
6	Yleisradio Pension Foundation	6,987,579	3.61 %
7	Päivikki and Sakari Sohlberg Foundation	4,465,600	2.31 %
8	Oy Investsum Ab	3,480,000	1.80 %
9	Sumelius Bjarne Henning	2,381,504	1.23 %
10	Sijoitusrahasto Säästöpankki Pienyhtiöt	2,307,860	1.19 %
11	Sijoitusrahasto Danske Invest Suomen Pienyhtiöt	2,244,114	1.16 %
12	Sijoitusrahasto Taaleritehdas Mikro Markka	2,100,000	1.08 %
13	Sumelius-Fogelholm Birgitta Christina	1,994,734	1.03 %
14	Nordea Pro Finland Fund	1,750,000	0.90 %
15	Vakuutusosakeyhtiö Henki-Fennia	1,612,820	0.83 %
16	von Christierson Charlie	1,600,000	0.83 %

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17	Metsänen Arto Juhani	1,500,000	0.77 %
18	Oy Nissala Ab	1,500,000	0.77 %
19	Sumelius Bertil Christer	1,398,533	0.72 %
20	Sumelius-Koljonen Barbro Ingegerd	1,350,238	0.70 %
	20 largest shareholders total	134,065,974	69.21 %
	Nominee registered shareholders	1,157,589	0.60 %
	Other shares	58,484,773	30.19 %
	Total	193,708,336	

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 shareholdings 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.

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

Share-based incentive plan

Share-based incentive plan 2014

On 21 January 2014, Glaston's Board of Directors decided Glaston Corporation's Board of Directors has approved a new long-term incentive and commitment scheme for the Group's key personnel including senior management of the Group and its subsidiaries.

The incentive scheme is based on 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 persons of Glaston.

The share-based incentive scheme for 2012–2014, announced on 12 December 2011, has been discontinued. No rewards were paid under the scheme during its period of validity.

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 plan and receipt of rewards for the performance period requires that a key employee subscribed for the company's shares in the share issue organized in spring 2013. Rewards of the plan 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	**2014**	**2013**
1 January	0.2	0.2
Impairment	-	-
Transfers	-	-
31 March	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

	31.3.2014	**31.3.2013**	**31.12.2013**
Available-for-sale shares			
Level 1	0.1	0.1	0.1
Level 3	0.2	0.2	0.2
	0.3	0.3	0.3
Derivatives			
Level 2	0.0	0.0	-0.0

glaston
seeing it through