

Positive profitability development continued; new machine market picking up

Interim Report 1 January–30 September 2014

- Orders received in January-September totalled EUR 89.6 (90.0) million. Orders received in the third quarter were EUR 34.1 (34.2) million.
- The order book on 30 September 2014 was EUR 43.1 (42.0) million.
- Consolidated net sales in January-September totalled EUR 83.8 (86.4) million. Third-quarter net sales were EUR 25.5 (26.3) million.
- EBITDA was EUR 5.1 (7.5) million, i.e. 6.1 (8.6)% of net sales.
- The operating result, excluding non-recurring items, in January-September was a profit of EUR 2.4 (0.3) million, i.e. 2.9 (0.3)% of net sales. The third-quarter operating result, excluding non-recurring items, was a profit of EUR 1.1 (0.4 loss) million, i.e. 4.3 (-1.6)% of net sales.
- The operating result in January-September was a profit of EUR 1.8 (4.0) million, i.e. 2.1 (4.7)% of net sales. The third-quarter operating result was a profit of EUR 1.1 (0.4 loss), i.e. 4.3 (-1.7)%.
- Continuing Operations' return on capital employed (ROCE) was 4.9 (10.5)%.
- Continuing Operations' January-September earnings per share were EUR 0.00 (0.02). Continuing and Discontinued Operations' earnings per share totalled EUR 0.00 (0.02).
- Glaston's interest-bearing net debt totalled EUR 9.5 (11.4) million.

President & CEO Arto Metsänen:

“The third quarter was good in terms of profitability and was another step in the right direction. Our systematic measures to improve profitability are therefore yielding results. After the first quarter of 2013, the operating result excluding non-recurring items has improved in every quarter compared with the corresponding period the previous year, except for the first quarter of 2014. The third-quarter operating profit of EUR 1.1 million was significantly better than the comparison period, and was 4.3% of net sales. The result does not yet correspond with our financial targets, but we are approaching that level.

We still expect our net sales to grow compared with last year, even though the early part of the year was challenging. A recovery is perceptible in the market, however, and our order book is at a slightly higher level than last year.

In the review period, we made an acquisition in line with our strategy by purchasing the industrial property rights of Glassrobots. This acquisition opens up for us a number of new opportunities. Firstly, we can take advantage of the company's installed machine base by providing maintenance and spare parts services for it, and we have already received significant spare parts orders. In addition, the tempering technology of the acquired company is well respected in the particularly demanding customer segment. We continuously monitor the situation of operators in our industry, and other opportunities for specific acquisitions to support our strategy may arise.”

Glaston's outlook for 2014 unchanged

Glaston expects that 2014 net sales and operating profit, excluding non-recurring items, will grow.

Operating environment

The new machines market continued to develop positively in the third quarter of 2014. In North America and Europe, machine business picked up significantly compared with the previous quarter. The stable development of the service market continued, with profitability remaining good.

Machines

In the Machines segment, the positive development that began in the second quarter strengthened in the third quarter. In North America, the market continued to be active, and in the EMEA area a pick-up was perceptible on a broad front. The USA's share of new heat treatment machine orders was significant. Orders intake and profitability development were promoted by a weakening of the euro against the US dollar. The positive development of Central European countries continued, with demand strongly directed at heat treatment machines. In South America, the market continued to be challenging for both pre-processing and heat treatment machines. In Asia, the market development was more subdued than expected. Demand for pre-processing and heat treatment machines was unsatisfactory in both China and in the Pacific area.

In the third quarter, product lines were prepared for the Glasstec Fair, which was held in October. The new FC1000™ flat tempering line, the new HE500™ horizontal edging line and the GlastonInsight™ real-time heat treatment process optimisation system were among the products presented at the fair.

In January-September, the Machines segment's net sales totalled EUR 58.4 (58.3) million. The operating profit, excluding non-recurring items, was EUR 2.1 (0.7) million. Third-quarter net sales totalled EUR 17.3 (16.9) million and the operating profit, excluding non-recurring items, was EUR 0.8 (0.1 loss) million.

Services

In the service market, Glaston's position remained strong in the third quarter despite a rather weak market situation. Inertia was evident in sales of heat treatment machine spare parts and upgrade products. In North America, development of sales of pre-processing machine spare parts was unsatisfactory, while sales of heat treatment machine spare parts continue to be strong. In the EMEA area, sales of heat treatment machine spare parts developed according to plan, with the exception of Turkey and Russia. In Asia, demand for spare parts continued to be weak in the third quarter. In North America, revived sales of new machines were strongly reflected in sales of upgrade products. In other areas, too, there was a perceptible slowing of demand for upgrade products. Sales of maintenance work advanced according to plan.

The third quarter's most significant deals were a EUR 0.6 million upgrade package for an FC500™ tempering machine in the UK and a EUR 0.3 million Vortex Pro™ convection upgrade for a tempering machine in the USA.

New product launches were made in tools and upgrade products. The tools XtraSpeed™, XtraLight™ and SmarTech™ were presented at the Glasstec Fair in October, as was the Vortex Pro™ convection upgrade, which is now available for all Glaston machine models.

In January-September, the Services segment's net sales totalled EUR 26.5 (28.5) million and the operating profit, excluding non-recurring items, was EUR 3.7 (3.6) million. Third-quarter net sales totalled EUR 8.6 (9.6) million and the operating profit, excluding non-recurring items, was EUR 1.1 (1.3) million.

Continuing Operations' orders received and order book

Glaston's order intake in the review period totalled EUR 89.6 (90.0) million. Of orders received, the Machines segment accounted for 69% and the Services segment 31%. Orders received in the third quarter were EUR 34.1 (34.2) million.

Glaston's order book on 30 September 2014 stood at EUR 43.1 (42.0) million. Of the order book, the Machines segment accounted for EUR 39.4 (40.0) million and the Services segment for EUR 3.7 (2.0) million.

Order book, EUR million	30.9.2014	30.9.2013
Machines	39.4	40.0
Services	3.7	2.0
Total	43.1	42.0

Continuing Operations' net sales, operating result and result

Glaston's net sales totalled EUR 83.8 (86.4) million in January-September and EUR 25.5 (26.3) million in the third quarter.

The positive development in the new machines market that began in the second quarter strengthened in the third quarter. In the Services segment, development of net sales was affected by a weak order intake for upgrade products in the second quarter. The Machine segment's net sales totalled EUR 58.4 (58.3) million in January-September and EUR 17.3 (16.9) million in the third quarter. The Services segment's net sales totalled EUR 26.5 (28.5) million in January-September and EUR 8.6 (9.6) million in July-September.

Net sales, EUR million	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013
Machines	17.3	16.9	58.4	58.3	84.3
Services	8.6	9.6	26.5	28.5	38.6
Other and internal sales	-0.4	-0.3	-1.2	-0.4	-0.6
Total	25.5	26.3	83.8	86.4	122.2

The operating profit, excluding non-recurring items, for July-September and January-September improved compared with the corresponding periods the previous year. In January-September, the operating profit, excluding non-recurring items, was EUR 2.4 (0.3) million, i.e. 2.9 (0.3)% of net sales. In July-September, the operating profit, excluding non-recurring items, was EUR 1.1 (0.4 loss) million. Growth was mainly due to growth of sales in the Machines segment.

The Machines segment's operating profit, excluding non-recurring items, totalled EUR 2.1 (0.7) million in January-September and EUR 0.8 (0.1 loss) million in the third quarter. The Services segment's operating profit, excluding non-recurring items, was EUR 3.7 (3.6) million in January-September and EUR 1.1 (1.3) million in the third quarter.

Continuing Operations' operating profit was EUR 1.8 (4.0) million in January-September and EUR 1.1 (0.4 loss) million in the third quarter.

Of the non-recurring items totalling EUR 3.7 million recognised in early 2013, the most significant was the sale of the Tampere property complex. In the second quarter of 2014, a non-recurring item of EUR -0.6 million was recognised from an adjustment to the final selling price of the Software Solutions business. The final selling price, paid on 1 July 2014, was EUR 1.5 million.

EBIT, EUR million	7-9/2014	7-9/2013	1-9/2014	1-9/2013	2013
Machines	0.8	-0.1	2.1	0.7	2.4
Services	1.1	1.3	3.7	3.6	5.2
Other and eliminations	-0.8	-1.6	-3.4	-4.0	-5.5
EBIT, excl. non-recurring items	1.1	-0.4	2.4	0.3	2.1
Non-recurring items	-	-0.0	-0.6	3.7	3.7
EBIT, Continuing Operations	1.1	-0.4	1.8	4.0	5.9

Earnings per share

Continuing Operations' earnings per share for the review period were EUR 0.00 (0.02). Discontinued Operations' earnings per share were EUR 0.00 on 30 September 2014. Earnings per share totalled EUR 0.00 (0.02).

Financial position, cash flow and financing

Glaston has a long-term financing agreement, 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.

At the end of the reporting period, Glaston's interest-bearing net debt totalled EUR 9.5 (11.4) million. The Group's liquid funds totalled EUR 11.7 (14.7) million. Net gearing was 19.1 (21.7)%.

The equity ratio was 47.5 (46.6)% on 30 September 2014.

At the end of the third quarter, the consolidated asset total was EUR 123.6 (128.0) million. The equity attributable to the owners of the parent was EUR 49.6 (52.1) million. The share issue-adjusted equity per share was EUR 0.26 (0.27). Return on equity in January-September was 1.4 (9.6)%.

Cash flow from the operating activities of Continuing and Discontinued Operations, before the change in working capital, was EUR 4.5 (3.2) million in January-September. The change in working capital was EUR -3.8 (0.1) million. Cash flow from investing activities was EUR -0.6 (23.2) 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. Cash flow from financing activities in January-September was EUR -5.6 (-22.0) 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 -69.3 million.

Capital expenditure, depreciation and amortisation

The gross capital expenditure of Glaston's Continuing and Discontinued Operations totalled EUR 2.1 (2.0) 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 3.3 (3.4) million.

Employees

Glaston's Continuing Operations had a total of 592 (585) employees on 30 September 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 the review period, the average number of employees was 592 (593).

Shares and share prices

Glaston Corporation's paid and registered share capital on 30 September 2014 was EUR 12.7 million and the number of issued and registered shares totalled 193,708,336. The company has one series of shares. At the end of September, 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 nine months of the year, approximately 28.2 million of the company's shares were traded,

i.e. around 14.6% of the total number of shares. The lowest price paid for a share was EUR 0.33 (0.22) and the highest price EUR 0.45 (0.44). The volume-weighted average price of shares traded in January-September was EUR 0.38 (0.33). The closing price on 30 September 2014 was EUR 0.35 (0.40).

On 30 September 2014, the market capitalisation of Glaston's registered shares, treasury shares excluded, was EUR 67.5 (77.2) million. The share issue-adjusted equity per share attributable to the owners of the parent was EUR 0.26 (0.27).

Nomination Board

Glaston's Nomination Board consists of the representatives of the four largest shareholders of the company as of 1 September 2014 and, in addition, the Chairman of the company's Board of Directors, who serves as an advisory member of the Nomination Board. The members of the Nomination Board are Jari Puhakka (Etera Mutual Pension Insurance Company), Mikko Koivusalo (Varma Mutual Pension Insurance Company), Kimmo Viertola (Finnish Industry Investment Ltd) and Ari Saarenmaa (Oy G.W.Sohlberg Ab). Andreas Tallberg, Chairman of the company's Board of Directors, serves as an advisory member of the Nomination Board.

In its organising meeting on 6 October 2014, the Nomination Board elected Ari Saarenmaa from among its members to be Chairman.

Events after the review period

In October, Glaston closed a deal valued at over EUR 4 million with the Columbian company Tecnoglass S.A. for a GlastonAir™ tempering machine and a Glaston ProBend™ machine, which is suitable for bending and tempering. The order was recorded in the 2014 fourth-quarter order book. The machines will be delivered in the second and third quarters of 2015. The deal also includes an option for two GlastonAir™ machines for the following two years.

In October Glaston closed another deal valued at over EUR 4 million with Press Glass SA, a leading European glass processor, for three Glaston FC500™ tempering furnaces. The order was booked in Glaston's Q4 2014 order book. The machines will be delivered in the second and third quarters of 2015.

Uncertainties and risks in the near future

Glaston's business environment remains challenging. The company operates in markets in which political and economic uncertainty arises, which affects the timing of large machine orders and customers' investment activity. Projecting the timing of new orders therefore remains difficult.

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 on its balance sheet a total of approximately EUR 3.8 million of unimpaired loan, interest and trade receivables from a counterparty. Glaston is continuously monitoring the situation and will recognise an impairment loss on these receivables, if necessary.

The company's long-term lease agreements for the pre-processing machines assembly unit in Bregnano, Italy, will end during the early part of 2015. Glaston is negotiating the extension of the agreements with the owner of the premises and will announce the outcome without delay. Non-recurring

costs may arise from the reorganisation of operations.

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. In North America and the EMEA area, the positive market development is expected to continue during the latter part of the year. In Asia, and particularly in China, overcapacity and slowing office construction is weakening demand for glass processing machines. In South America, we anticipate that the market will continue to be relatively subdued during the latter part of the year, with demand remaining at a low level.

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 and in services covering the entire lifecycle of products. Drivers of Glaston's profitability development and growth include a pick-up of demand in the construction industry, growing demand for safety glass as well as energy-efficient and high quality glass solutions, and growth of solar energy production.

Glaston expects that 2014 net sales and operating profit, excluding non-recurring items, will grow.

Helsinki, 28 October 2014

Glaston Corporation
Board of Directors

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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 – 30 SEPTEMBER 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	<u>30.9.2014</u>	<u>30.9.2013</u>	<u>31.12.2013</u>
Assets			
Non-current assets			
Goodwill	36.8	36.8	36.8
Other intangible assets	7.9	9.1	8.7
Property, plant and equipment	6.8	7.1	6.9
Available-for-sale assets	0.3	0.3	0.3
Loan receivables	1.8	1.8	1.8
Deferred tax assets	3.2	5.7	3.7
Total non-current assets	56.9	60.9	58.3
Current assets			
Inventories	25.4	22.5	19.7
Receivables			
Trade and other receivables	28.7	29.2	30.5
Assets for current tax	1.0	0.8	0.7
Total receivables	29.6	30.0	31.2
Cash equivalents	11.7	14.7	16.4
Total current assets	66.7	67.2	67.3
Total assets	123.6	128.0	125.6

	<u>30.9.2014</u>	<u>30.9.2013</u>	<u>31.12.2013</u>
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	0.1	0.1
Reserve for invested unrestricted equity	47.3	47.3	47.3
Treasury shares	-3.3	-3.3	-3.3
Fair value reserve	0.1	0.1	0.1
Other unrestricted equity reserves	0.1	0.1	0.1
Retained earnings and exchange differences	-33.1	-33.1	-33.1
Net result attributable to owners of the parent	0.6	3.0	1.3
Equity attributable to owners of the parent	49.6	52.1	50.4
Non-controlling interest	0.3	0.3	0.3
Total equity	49.9	52.4	50.7
Non-current liabilities			
Non-current interest-bearing liabilities	8.8	12.9	11.6
Non-current interest-free liabilities and provisions	2.2	3.6	2.7
Deferred tax liabilities	0.8	0.9	1.0
Total non-current liabilities	11.7	17.4	15.3
Current liabilities			
Current interest-bearing liabilities	12.5	13.2	13.4
Current provisions	3.0	17	2.6
Trade and other payables	46.3	43.1	43.3

Liabilities for current tax	0.2	0.3	0.4
Total current liabilities	62.0	58.3	59.7
Total liabilities	73.7	75.7	74.9
Total equity and liabilities	123.6	128.0	125.6

CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	<u>7-9/2014</u>	<u>7-9/2013</u>	<u>1-9/2014</u>	<u>1-9/2013</u>	<u>1-12/2013</u>
Net sales	25.5	26.3	83.8	86.4	122.2
Other operating income	0.1	0.2	0.6	4.3	4.4
Expenses	-23.5	-25.8	-79.3	-83.2	-116.2
Depreciation, amortization and impairment	-1.0	-1.1	-3.3	-3.4	-4.6
Operating result	1.1	-0.4	1.8	4.0	5.9
Financial items, net	-0.3	-0.9	-0.1	-0.0	-1.0
Result before income taxes	0.8	-1.4	1.6	4.0	4.9
Income taxes	-0.9	0.0	-1.1	-1.0	-3.6
Profit / loss for the period from continuing operations	-0.1	-1.3	0.5	3.0	1.3
Profit / loss after tax for the period from discontinued operations	-	0.0	-	0.0	0.0
Profit / loss for the period	-0.1	-1.3	0.5	3.0	1.3
Attributable to:					
Owners of the parent	-0.1	-1.3	0.6	3.0	1.3
Non-controlling interest	0.0	0.0	-0.0	-0.0	0.0
Total	-0.1	-1.3	0.5	3.0	1.3
Earnings per share, EUR, continuing operations	-0.00	-0.01	0.00	0.02	0.01
Earnings per share, EUR, discontinued operations	-	0.00	-	0.00	0.00
Earnings per share, EUR, basic and diluted	-0.00	-0.01	0.00	0.02	0.01
Operating result, continuing operations , as % of net sales	4.3	-1.7	2.1	4.7	4.8
Profit / loss for the period, continuing operations , as % of net sales	-0.3	-5.0	0.7	3.4	1.0
Profit / loss for the period, as % of net sales	-0.3	-5.0	0.7	3.5	1.1
Non-recurring items included in operating result, continuing operations	-	-0.0	-0.6	3.7	3.7
Operating result, non-recurring items excluded, continuing operations	1.1	-0.4	2.4	0.3	2.1
Operating result, continuing operations, non-recurring items excluded, as % of net sales	4.3	-1.6	2.9	0.3	1.7

CONSOLIDATED STATEMENT OF COMPEREHENSIVE INCOME

EUR million	<u>7-9/2014</u>	<u>7-9/2013</u>	<u>1-9/2014</u>	<u>1-9/2013</u>	<u>1-12/2013</u>
Profit / loss for the period	-0.1	-1.3	0.5	3.0	1.3
Other comprehensive income that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	1.1	-0.0	0.6	0.4	0.6
Fair value changes of available-for-sale assets	-0.0	0.0	0.0	0.0	0.0
Income tax on other comprehensive income	0.0	-0.0	-0.0	-0.0	-0.0
Other comprehensive income that will not be reclassified subsequently to profit or loss:					
Exchange differences on actuarial gains and losses arising from defined benefit plans	-0.0	0.0	- 0.0	0.0	0.0
Actuarial gains and losses arising from defined benefit plans	-	-	-	-	-0.0
Other comprehensive income for the reporting period, net of tax	1.1	-0.0	0.7	0.4	0.5
Total comprehensive income for the reporting period	1.0	-1.3	1.2	3.4	1.8
Attributable to:					
Owners of the parent	1.0	-1.3	1.2	3.4	1.8
Non-controlling interest	0.0	-0.0	0.0	-0.0	-0.0
Total comprehensive income for the reporting period	1.0	-1.3	1.2	3.4	1.8

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	<u>1-9/2014</u>	<u>1-9/2013</u>	<u>1-12/2013</u>
Cash flows from operating activities			
Cash flow before change in net working capital	4.5	3.2	6.3
Change in net working capital	-3.8	0.1	0.9
Net cash flow from operating activities	0.7	3.3	7.1
Cash flow from investing activities			
Other purchases of non-current assets	-2.2	-2.0	-2.8
Proceeds from sale of business	-	12.4	12.9
Proceeds from sale of assets held for sale	1.5	12.9	12.4
Proceeds from sale of other non-current assets	0.1	0.0	0.0
Net cash flow from investing activities	-0.6	23.2	22.5
Cash flow before financing	0.1	26.5	29.6
Cash flow from financing activities			
Share issue, net	-	9.1	9.1
Increase in non-current liabilities	-	14.7	14.8
Decrease in non-current liabilities	-2.9	-43.5	-43.5
Changes in loan receivables (increase - / decrease +)	0.0	0.1	0.1
Increase in short-term liabilities	25.0	34.1	44.4
Decrease in short-term liabilities	-25.9	-36.6	-47.9
Dividends paid	-1,9	-	-
Net cash flow from financing activities	-5.6	-22.0	-23.1
Effect of exchange rate changes	0.9	-0.7	-1.0

Net change in cash and cash equivalents	-4.7	3.8	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	11.7	14.7	16.4
Net change in cash and cash equivalents	-4.7	3.8	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

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. earnings	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	3.0	0.4	3.4	-0.0	3.4
Reclassification	-	-	-	-	0.1	-0.1	-	-	-	-
Share-based incentive plan	-	-	-	-	-	0.2	-	0.2	-	0.2
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 30 Sept., 2013	12.7	25.3	47.3	-3.3	0.2	-30.4	0.3	52.1	0.3	52.4

EUR million	Share capital	Share premium account	Reserve for inv. unrestr. equity	Treasury shares	Fair value and other reserves	Ret. earnings	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	50.7
Total comprehensive income for the period	-	-	-	-	0.0	0.6	0.6	1.2	0.0	1.2
Change in non-controlling interest	-	-	-	-	-	-	-	-	-0.0	-0.0
Dividends paid	-	-	-	-	-	-1.9	-	-1.9	-	-1.9
Equity at 30 Sept., 2014	12.7	25.3	47.3	-3.3	0.2	-33.7	1.1	49.6	0.3	49.9

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

	30.9.2014	30.9.2013	31.12.2013
EBITDA, as % of net sales ⁽¹⁾	6.1	8.6	8.6
Operating result (EBIT), as % of net sales	2.1	4.7	4.8
Profit / loss for the period, as % of net sales	0.7	3.5	1.1
Gross capital expenditure, continuing and discontinued operations, EUR million	2.1	2.0	2.8
Gross capital expenditure, as % of net sales of continuing and discontinued operations	2.5	2.2	2.2
Equity ratio, %	47.5	46.6	45.4
Gearing, %	42.5	49.8	49.3
Net gearing, %	19.1	21.7	16.9
Net interest-bearing debt, EUR million	9.5	11.4	8.6
Capital employed, end of period, EUR million	71.2	78.5	75.6
Return on equity, %, annualized	1.4	9.6	3.2
Return on capital employed, %, annualized	4.9	10.5	9.9
Return on capital employed, continuing operations %, annualized	4.9	10.3	9.8
Number of personnel, average	592	593	590

Number of personnel, end of period	592	585	581
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⁽¹⁾ EBITDA = Operating result + depreciation, amortization and impairment

PER SHARE DATA

	<u>30.9.2014</u>	<u>30.9.2013</u>	<u>31.12.2013</u>
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	167,819	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	171,013	175,860
EPS, continuing operations, basic and diluted, adjusted with share issue, EUR	0.00	0.02	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	0.02	0.01
Adjusted equity attributable to owners of the parent per share, EUR	0.26	0.27	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	122.1	22.4	53.8
Price per adjusted equity attributable to owners of the parent per share	1.36	1.48	1.53
Market capitalization of registered shares, EUR million	67.5	77.2	77.2
Share turnover, % (number of shares traded, % of the average registered number of shares)	14.6	15.4	20.7
Number of shares traded, (1,000)	28,208	25,358	35,594
Closing price of the share, EUR	0.35	0.40	0.40
Highest quoted price, EUR	0.45	0.44	0.44
Lowest quoted price, EUR	0.33	0.22	0.22
Volume-weighted average quoted price, EUR	0.38	0.33	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:
 $(\text{Dividend per share} \times 100) / \text{Earnings per share}$

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

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

Average trading price:
 $\text{Shares traded (EUR)} / \text{Shares traded (volume)}$

Price per earnings per share (P/E):
 $\text{Share price at end of the period} / \text{Earnings per share (EPS)}$

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

Share turnover:
 $\text{The proportion of number of shares traded during the period to weighted average number of shares}$

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

Number of shares at period end:
 $\text{Number of issued shares} - \text{treasury shares}$

Financial ratios

EBITDA:
Profit / loss of continuing operations before depreciation, amortization and impairment, 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, %:
 $\text{Equity (Equity attributable to owners of the parent} + \text{non-controlling interest)} \times 100 / \text{Total assets} - \text{advance payments received}$

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

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

Return on capital employed, % (ROCE):

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

Return on equity, % (ROE).

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

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

ACCOUNTING PRINCIPLES

The consolidated interim financial statements of Glaston Group are prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as approved by the European Union. They do not include all of the information required for full annual financial statements.

The accounting principles applied in these interim financial statements are the same as those applied by Glaston in its consolidated financial statements as at and for the year ended 31 December, 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, joint 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

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.

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 2014, in total EUR 0.6 million negative, consist of the adjustment of the final sales price of the 2013 Software Solutions business area sales.

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	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013
External sales	17.3	16.9	58.4	58.3	84.2
Intersegment sales	0.0	0.0	-0.0	0.0	0.0
Net sales	17.3	16.9	58.4	58.3	84.3
EBIT excluding non-recurring items	0.8	-0.1	2.1	0.7	2.4
EBIT-%, excl. non-recurring items	4.7	-0.9	3.7	1.2	2.9
Non-recurring items	-	-0.0	-	-0.0	-0.0
EBIT	0.8	-0.1	2.1	0.7	2.4
EBIT-%	4.7	-0.9	3.7	1.2	2.9
Net working capital			20.9	19.7	17.1
Number of personnel, average			350	347	346
Number of personnel, end of period			350	344	343

Services

EUR million	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013
External sales	8.2	9.4	25.3	27.5	37.3
Intersegment sales	0.4	0.3	1.3	1.0	1.3
Net sales	8.6	9.6	26.5	28.5	38.6
EBIT excluding non-recurring items	1.1	1.3	3.7	3.6	5.2
EBIT-%, excl. non-recurring items	13.3	13.9	14.0	12.5	13.4
Non-recurring items	-	-	-	0.0	0.0
EBIT	1.1	1.3	3.7	3.6	5.2
EBIT-%	13.3	13.9	14.0	12.5	13.4
Net working capital			30.4	30.8	30.1
Number of personnel, average			229	234	233
Number of personnel, end of period			229	229	227

Glaston Group

Net sales

EUR million	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013
Machines	17.3	16.9	58.4	58.3	84.3
Services	8.6	9.6	26.5	28.5	38.6
Other and intersegment sales	-0.4	-0.3	-1.2	-0.4	-0.6
Glaston Group total	25.5	26.3	83.8	86.4	122.2

EBIT

EUR million	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013
Machines	0.8	-0.1	2.1	0.7	2.4
Services	1.1	1.3	3.7	3.6	5.2
Other and eliminations	-0.8	-1.6	-3.4	-4.0	-5.5
EBIT excluding non-recurring items	1.1	-0.4	2.4	0.3	2.1
Non-recurring items	-	-0.0	-0.6	3.7	3.7
EBIT, continuing operations	1.1	-0.4	1.8	4.0	5.9
Net financial items	-0.3	-0.9	-0.1	-0.0	-1.0
Result before income taxes from continuing operations	0.8	-1.4	1.6	4.0	4.9
Income taxes from continuing operations	-0.9	0.0	-1.1	-1.0	-3.6
Result from continuing operations	-0.1	-1.3	0.5	3.0	1.3
Net discontinued operations	-	0.0	-	0.0	-0.0
Net result	-0.1	-1.3	0.5	3.0	1.3
Number of personnel, average			592	593	590
Number of personnel, end of period			592	585	581

Segment assets

EUR million	1-9/2014	1-9/2013	1-12/2013
Machines	62.9	58.6	56.1
Services	38.4	38.2	37.8
Total segments	101.3	96.9	93.9
Unallocated and eliminations and adjustments	2.4	5.1	4.9
Total segment assets	103.7	101.9	98.8
Other assets	19.1	26.1	26.8
Total assets	122.8	128.0	125.6

Segment liabilities

EUR million	1-9/2014	1-9/2013	1-12/2013
Machines	42.1	39.0	39.0
Services	8.1	7.4	7.7
Total segments	50.1	46.4	46.7
Unallocated and eliminations and adjustments	1.3	1.9	1.9
Total segment liabilities	51.4	48.3	48.6
Other liabilities	21.5	27.3	26.3
Total liabilities	72.9	75.7	74.9

Net working capital

EUR million	1-9/2014	1-9/2013	1-12/2013
Machines	20.9	19.7	17.1
Services	30.4	30.8	30.1
Total segments	51.2	50.5	47.2
Unallocated and eliminations and adjustments	1.1	3.1	2.9
Total Glaston Group	52.3	53.6	50.2

Order intake (continuing operations)

EUR million	1-9/2014	1-9/2013	1-12/2013
Machines	61,9	62.0	86.2
Services	27,8	28.0	37.1
Total Glaston Group	89,6	90.0	123.3

Net sales by geographical areas (continuing operations)

EUR million	1-9/2014	1-9/2013	1-12/2013
EMEA	37.5	34.0	50.6
Asia	18.3	20.4	27.2
America	28.0	31.9	44.4
Total	83.8	86.4	122.2

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

Machines

EUR million	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
External sales	17.3	26.4	14.7	26.0	16.9	24.3	17.0
Intersegment sales	0.0	-	-0.0	0.0	0.0	-	-
Net sales	17.3	26.4	14.7	26.0	16.9	24.3	17.0
EBIT excluding non-recurring items	0.8	2.1	-0.8	1.8	-0.1	1.2	-0.4
EBIT-%, excl. non-recurring items	4.7	8.1	-5.5	6.8	-0.9	5.0	-2.3
Non-recurring items	-	-	-	-0.0	-0.0	0.0	-0.0
EBIT	0.8	2.1	-0.8	1.8	-0.1	1.2	-0.4
EBIT-%	4.7	8.1	-5.5	6.8	-0.9	5.0	-2.3

Services

EUR million	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
External sales	8.2	8.7	8.4	9.8	9.4	8.8	9.4
Intersegment sales	0.4	0.3	0.6	0.3	0.3	0.3	0.5
Net sales	8.6	9.0	8.9	10.1	9.6	9.0	9.8
EBIT excluding non-recurring items	1.1	1.2	1.4	1.6	1.3	1.0	1.2
EBIT-%, excl. non-recurring items	13.3	12.7	15.9	16.1	13.9	11.2	12.4
Non-recurring items	-	-	-	-	-	-	0.0
EBIT	1.1	1.2	1.4	1.6	1.3	1.0	1.2
EBIT-%	13.3	12.7	15.9	16.1	13.9	11.2	12.4

Net sales

EUR million	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Machines	17.3	26.4	14.7	26.0	16.9	24.3	17.0
Services	8.6	9.0	8.9	10.1	9.6	9.0	9.8
Other and intersegment sales	-0.4	-0.3	-0.5	-0.2	-0.3	0.3	-0.4
Glaston Group total	25.5	35.2	23.1	35.9	26.3	33.7	26.4

EBIT

EUR million	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Machines	0.8	2.1	-0.8	1.8	-0.1	1.2	-0.4
Services	1.1	1.2	1.4	1.6	1.3	1.0	1.2
Other and eliminations	-0.8	-1.3	-1.3	-1.5	-1.6	-1.2	-1.2
EBIT excluding non-recurring items	1.1	2.0	-0.7	1.9	-0.4	1.1	-0.4
Non-recurring items	-	-0.6	-	-0.0	-0.0	0.0	3.7
EBIT	1.1	1.4	-0.7	1.9	-0.4	1.1	3.4

Order book (continuing operations)

	30.9.2014	30.6.2014	31.3.2014	31.12.2013	30.9.2013	30.6.2013	31.3.2013
Machines	39.4	33.4	39.7	38.0	40.0	32.2	37.8
Services	3.7	1.3	1.6	1.1	2.0	1.6	1.6
Total Glaston Group	43.1	34.7	41.3	39.1	42.0	33.8	39.4

Order intake (continuing operations)

EUR million	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Machines	23.6	20.7	17.6	24.1	24.5	18.2	19.2
Services	10.5	8.4	8.8	9.2	9.7	8.7	9.6
Total Glaston Group	34.1	29.1	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 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 in 2013.

Revenue, expenses and result of discontinued operations

EUR million	1-9/2014	1-9/2013	1-12/2013
Revenue	-	1.8	1.8
Expenses	-	-1.2	-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	1-9/2014	1-9/2013	1-12/2013
Operating	-	1.0	1.0
Investing	-	-0.3	-0.3
Financing	-	-0.0	-0.0
Net cash flow	-	0.7	0.7

CONTINGENT LIABILITIES

EUR million	<u>30.9.2014</u>	<u>30.9.2013</u>	<u>31.12.2013</u>
Mortgages and pledges			
On own behalf	303.5	294.1	303.3
On behalf of others	-	0.1	0.0
Guarantees			
On own behalf	8.0	4.1	4.1
On behalf of others	0.0	0.0	0.0
Lease obligations	18.7	18.8	18.5

Mortgages and pledges include EUR 91.5 million shares in group companies and EUR 45.4 million receivables from group companies.

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

DERIVATIVE INSTRUMENTS

EUR million	<u>30.9.2014</u>		<u>30.9.2013</u>		<u>31.12.2013</u>	
	<u>Nominal value</u>	<u>Fair value</u>	<u>Nominal value</u>	<u>Fair value</u>	<u>Nominal value</u>	<u>Fair value</u>
Commodity derivatives						
Electricity forwards	0.5	-0.0	0.5	-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.

PROPERTY, PLANT AND EQUIPMENT, AND INTANGIBLE ASSETS

EUR million			
Changes in property, plant and equipment	1-9/2014	1-9/2013	1-12/2013
Carrying amount at beginning of the period	6.9	7.3	7.3
Additions	0.6	0.9	1.0
Disposals	0.0	-0.0	-0.0
Depreciation and amortization	-0.9	-1.0	-1.3
Impairment losses and reversals of impairment losses	-	-0.0	-0.0
Reclassification and other changes	0.0	-0.7	-0.7
Transfer to / from assets held for sale	-	0.7	0.7
Exchange differences	0.2	-0.1	-0.1
Carrying amount at end of the period	6.8	7.1	6.9

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

EUR million			
Changes in intangible assets	1-9/2014	1-9/2013	1-12/2013
Carrying amount at beginning of the period	45.6	47.6	47.6
Additions	1.5	0.8	1.4
Disposals	-0.0	-0.0	-0.1
Depreciation and amortization	-2.4	-2.5	-3.3
Impairment losses and reversals of impairment losses	-	-0.0	-0.0
Transfer to / from assets held for sale	-	-	0.0
Exchange differences	0.0	-0.0	-0.0
Carrying amount at end of the period	44.7	45.9	45.6

SHAREHOLDER INFORMATION

20 largest shareholders 30 September, 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	10,500,000	5.42 %
6 Yleisradion Eläkesäätiö S.r.	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 Investment Fund Säästöpankki Small Cap	2,307,860	1.19 %
11 Sijoitusrahasto Taaleritehdas Mikro Markka	2,300,000	1.19 %
12 Danske Fund Finnish Small Cap	2,244,114	1.16 %
13 Nordea Pro Finland Fund	2,234,955	1.15 %
14 Sumelius-Fogelholm Birgitta	1,994,734	1.03 %
15 Fennia Life Insurance Company Ltd	1,612,820	0.83 %
16 Von Christierson Charlie	1,600,000	0.83 %
17 Metsänen Arto Juhani	1,500,000	0.77 %
18 Oy Nissala Ab	1,500,000	0.77 %
19 Sumelius Christer	1,398,533	0.72 %
20 Sumelius-Koljonen Barbro	1,350,238	0.70 %
20 largest shareholders total	135,650,929	70.03 %
Nominee registered shareholders	1,010,025	0.52 %
Other shares	57,047,382	29.45 %
Total	193,708,336	100.00 %

RELATED PARTY TRANSACTIONS

Glaston Group's related parties include the parent and subsidiaries. Related parties also include the members of the Board of Directors and the Group's Executive Management Group, the CEO and their family members. Also the shareholders which have significant influence in Glaston through 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.

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	-	-
30 September	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

	30.9.2014	30.9.2013	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	-0.1