

Glaston sells its pre-processing machines business; continues as distributor

Glaston Corporation has today signed a binding agreement on the sale of 100% of the shares of Glaston Italy S.p.A to the local management of Glaston Italy S.p.A.

“Glaston has a clear strategy and direction, which is sustainable and profitable growth. The company’s expertise is strongest in heat treatment technology. We have successfully developed this segment by launching machines which represent the most advanced technology and which have clearly fulfilled customers’ needs. The agreement signed today means that we can in future focus all of our resources on areas where we are already strong in terms of both expertise and profitability,” says Glaston Corporation’s President & CEO, Arto Metsänen.

Glaston acquired the Italian company Z. Bavelloni Immobiliare S.p.A., which specialised in pre-processing operations, in 2003. Pre-processing operations include the manufacturing and servicing of glass pre-processing machines. Pre-processing machines are reported as part of the Machines segment and their servicing as part of the Services segment. The sale and manufacturing of tools related to pre-processing operations will remain in Glaston. Glaston will continue to distribute and service pre-processing machines in areas agreed with the buyers. Glaston Italy has around 140 employees, of whom around 40 work in tool operations.

The finalisation of the sale will require the fulfilment of the customary terms and conditions of company acquisitions. The buyers and seller have agreed that the purchase price will not be disclosed. The sale is expected to be finalised by the end of June 2015. When the sale is finalised, Glaston will incur non-recurring losses estimated at EUR 9 million, of which an estimated EUR 7 million will consist of impairment of goodwill. This item will have no impact on cash flow. Impairments arising from the sale will have a negative impact on the parent company’s distributable funds but will not, however, jeopardise the company’s capacity for normal distribution of funds. The sale of pre-processing operations will improve Glaston’s relative profitability and therefore support the company’s strategic objectives. The above assessments of the impact of the sale will be revised in connection with the finalisation of sale.

The sale does not change Glaston’s guidance for 2015, published earlier.

On its finalisation, the sale might affect the reporting segments.

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Glaston Corporation

Glaston is a global company developing glass processing technology for architectural, solar, appliance and automotive applications. Our products range from pre-processing and safety glass machines to software solutions and maintenance 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.

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