

# Glaston Interim Report 1 January – 30 June 2015: Strong order book, pre-processing machines business sold

Continuing Operations' January-June 2015 compared with January-June 2014 (the comparison year's figures have been restated)

## Glaston's interim report 1 January – 30 June 2015 (Continuing Operations)

- Orders received in January-June totalled EUR 55.0 (49.5) million. Orders received in the second quarter were EUR 32.5 (25.8) million.
- The order book on 30 June 2015 was EUR 56.0 (32.7) million.
- Consolidated net sales in January-June totalled EUR 56.5 (51.3) million. Second-quarter net sales were EUR 30.1 (31.1) million.
- The comparable EBITDA was EUR 4.5 (2.8) million, i.e. 8.0 (5.4)% of net sales.
- The comparable operating profit in January-June, excluding non-recurring items, was EUR 3.0 (1.5) million. The second-quarter comparable operating profit, excluding non-recurring items, was EUR 1.7 (1.8) million.<sup>1)</sup>
- The comparable operating profit in January-June was EUR 2.8 (0.8) million, i.e. 4.9 (1.6)% of net sales. The second-quarter comparable operating profit was EUR 1.5 (1.2) million.<sup>1)</sup>
- Continuing Operations' return on capital employed (ROCE) was 20.2 (11.4)%.
- Continuing Operations' January-June earnings per share were EUR 0.01 (0.02).
- Glaston's interest-bearing net debt totalled EUR 6.1 (10.7) million.
- Glaston revises its business outlook for 2015 as a result of the sale of its pre-processing machines business. Glaston expects that Continuing Operations' 2015 net sales and comparable operating profit, excluding non-recurring items, will exceed the level of 2014 (in 2014 net sales were EUR 109.7 million and comparable operating profit, excluding non-recurring items, was EUR 5.5 million).

<sup>1)</sup> Due to the sale of Glaston Italy S.p.A., internal purchases eliminated in the comparable figures up to 30 June 2015 changes from 1 July 2015 to external purchases. This impacts the comparability of Continuing Operations' operating profit. In the table section of the interim report, we present both Continuing Operations' operating profit and Continuing Operations' comparable operating profit. Continuing Operations' comparable operating profit is presented in the segment data section. In Continuing Operations' comparable operating profit, those internal items that in future will be external items have been restated.

## Glaston revises its outlook for 2015

Glaston closed the sale of its pre-processing machines business as the second quarter ended. As a result, Glaston reports the sale of the pre-processing machines business in Discontinued Operations, not in the operating result of Continuing Operations. The overall outlook for Glaston's business remains unchanged but, due to the change in reporting classification, Glaston revises its outlook.

Revised outlook: Glaston expects that Continuing Operations' 2015 net sales and comparable operating profit, excluding non-recurring items, will exceed the level of 2014 (in 2014 net sales were EUR 109.7 million and comparable operating profit, excluding non-recurring items, was EUR 5.5 million).

Previous outlook: Glaston expects that 2015 net sales and operating profit, excluding non-recurring items, will exceed the level of 2014 (in 2014, net sales were EUR 124.5 million and operating profit, excluding non-recurring items, was EUR 4.9 million).

**President & CEO Arto Metsänen:**

"The single most significant event for Glaston during the second quarter was the disposal of pre-processing operations. The decision to sell pre-processing was influenced, in addition to the challenging market situation, by the fact that its profitability did not correspond to the targets we set for it and that achieving them would have required large investments in the business in question.

In the period 2012-2015, we have implemented a major restructuring in Glaston. By disposing of both the software and pre-processing machine businesses, we can now focus on high-technology heat treatment and services. In heat treatment technology and service business, our expertise is strong, and we consider growth conditions to be good in these product groups. In heat treatment, the product portfolio has been strongly updated in recent years and our market position is good. We will continue our goal-oriented product development investments in this segment. Our intention is to continue to grow both organically and through acquisitions.

Our Continuing Operations' order book at the end of the second quarter was at a significantly higher level than the previous year. For the early part of the year and in respect of the following financial periods, we present in this report a comparable operating profit for Continuing Operations, which we will follow in future. Our comparable operating profit, excluding non-recurring items grew from EUR 1.5 million in the first half of 2014 to EUR 3.0 million. Second-quarter net sales and operating profit fell slightly short of both the previous year's level and our target, due to project deliveries being moved forward.

During the period we renewed our financing agreement, which replaced the previous financing agreement, which was maturing. The financing agreement secures the company's financing for the coming three-year period and reduces Glaston's financing and administration costs. In addition, the new agreement removes restrictions on the company's distribution of funds."

**Sale of pre-processing machines business**

In the second quarter, Glaston closed the sale of 100% of the shares of Glaston Italy S.p.A. Pre-processing included the manufacturing and service of glass pre-processing machines. In this interim report, pre-processing business is classified in Discontinued Operations. Sales and manufacturing of tools relating to pre-processing remained in Glaston.

Glaston Group subsidiaries will continue distribution and service of pre-processing machines in areas agreed with the buyer. In future, subsidiaries will buy machines from Bavelloni S.p.A. (formerly Glaston Italy S.p.A.). The Group has internal transactions between Continuing and Discontinued Operations up to 30 June 2015, which will continue as external transactions following the sale of the pre-processing machines business. Due to the sale of Glaston Italy S.p.A., internal purchases eliminated in the comparable figures up to 30 June 2015 will change from 1 July 2015 to external purchases. This will impact the comparability of Continuing Operations' operating profit. In the table section of the interim report, we present both Continuing Operations' operating profit and Continuing Operations' comparable operating profit. Continuing Operations' comparable operating profit is presented in the segment data section. In Continuing Operations' comparable operating profit, those internal items that in future will be external items have been restated.

As a result of the sale of the pre-processing machines business, a change will be made to Glaston's reporting segments. Glaston's remaining business operations will be reported as a single segment, and the January-September interim report, to be published on 26 October 2015, will be reported according to the new segment structure.

**Operating environment**

In the second quarter, the uneven development of markets continued. In the EMEA area and North America, the markets continued to develop in a more positive direction. In Asia and in South America, the markets remained quiet.

## Machines

In Machines business, the market situation continued to be challenging in the second quarter. The positive development of the North American market continued, but more moderately than before. In South America, the market continued to be quiet, with Brazil significantly falling short of expectations.

In the EMEA area, good development continued. In the second quarter, Glaston received a major follow-up order valued at over EUR 4 million from Spain. Also in the second quarter, Glaston closed a deal worth EUR 2.4 million with Europe's leading glass processor that included a Glaston FC500™ flat tempering line, a ProBend™ line for tempering high quality bent glass, and a Glaston Care service agreement. In June, Glaston closed a EUR 2.6 million machine sale with a Kuwaiti customer.

In Asia, the market continued to weaken, and activity in China in particular was on a low level. In Australia and New Zealand, markets showed signs of picking up.

In the second quarter, a new generation windscreen bending machine, the Ecomax Matrix™, was launched to the market. The machine combines the best features of Glaston's and Glassrobots' earlier products. The first machine was successfully commissioned during the reporting period.

Through years of determined development of heat treatment machines, the company has achieved a leading position in the heat treatment machine segment. The GlastonAir™ and Glaston FC1000™ tempering lines, representing the latest technology, were presented to customers in June in connection with the Glass Performance Days conference in Tampere.

In January-June, the Machines segment's net sales totalled EUR 38.5 (35.8) million. The Continuing Operations' comparable operating profit, excluding non-recurring items, was EUR 4.2 (2.1) million. Second-quarter net sales totalled EUR 20.5 (23.2) million and Continuing Operations' comparable operating profit, excluding non-recurring items, was EUR 1.9 (2.2) million.

## Services

The Services segment's market continued its good development, with the second quarter being even more lively than the first. Glaston's market position remained strong.

In upgrade products, the order intake improved in all geographical areas. In the second quarter, significant upgrade deals were closed in Canada, Australia, the USA and Israel, where the transfer of a tempering machine from Austria to Israel was agreed, utilising the Glaston Move service.

Spare parts sales of heat treatment machines developed strongly in the second quarter. Service work was in line with expectations. In tools, the tight competitive situation continued and, excluding North America, the market situation was challenging.

In January-June, the Services segment's net sales totalled EUR 18.6 (16.3) million and Continuing Operations' comparable operating profit, excluding non-recurring items, was EUR 2.0 (2.0) million. Second-quarter net sales totalled EUR 9.9 (8.3) million and Continuing Operations' comparable operating profit, excluding non-recurring items, was EUR 1.2 (0.8) million.

### **Continuing Operations' orders received and order book**

Glaston's order intake during the first six months of the year totalled EUR 55.0 (49.5) million. Of orders received, the Machines segment accounted for 65% and the Services segment 35%. Orders received during the second quarter of the year totalled EUR 32.5 (25.8) million.

Glaston's order book on 30 June 2015 was EUR 56.0 (32.7) million. Of the order book, the Machines segment accounted for EUR 52.0 million and the Services segment for EUR 4.0 million.

<b>Order book, EUR million</b>	<b>30.6.2015</b>	<b>30.6.2014</b>
<b>Machines</b>	52.0	31.4
<b>Services</b>	4.0	1.3
<b>Total</b>	<b>56.0</b>	<b>32.7</b>

### **Continuing Operations' net sales, comparable operating profit, and result**

January-June net sales totalled EUR 56.5 (51.3) million. The Machines segment's net sales in the first half of the year were EUR 38.5 (35.8) million and the Services segment's net sales were EUR 18.6 (16.3) million.

In the EMEA area, the positive development of net sales continued. Net sales grew by 29% compared with the corresponding period the previous year and totalled EUR 28.4 million. In the Americas, net sales also grew, driven by North America, to EUR 20.7 million, which corresponds to 17% growth compared with the corresponding period of 2014. In Asia, net sales totalled EUR 7.4 million. The subdued market in China particularly contributed to the area's weak development.

April-June net sales totalled EUR 30.1 (31.1) million. The Machines segment's net sales in the second quarter were EUR 20.5 (23.2) million and the Services segment's net sales were EUR 9.9 (8.3) million.

<b>Net sales, EUR million</b>	<b>4-6/2015</b>	<b>4-6/2014</b>	<b>1-6/2015</b>	<b>1-6/2014</b>	<b>1-12/2014</b>
Machines	20.5	23.2	38.5	35.8	75.4
Services	9.9	8.3	18.6	16.3	36.1
Other and internal sales	-0.2	-0.3	-0.6	-0.8	-1.8
<b>Total</b>	<b>30.1</b>	<b>31.1</b>	<b>56.5</b>	<b>51.3</b>	<b>109.7</b>

Due to the sale of Glaston Italy S.p.A., internal purchases eliminated in the comparable figures up to 30 June 2015 changes from 1 July 2015 to external purchases, impacting the comparability of Continuing Operations' operating profit. In Continuing Operations' comparable operating profit, those internal items that in future will be external items have been restated.

The comparable operating profit of Glaston's Continuing Operations in January-June, excluding non-recurring items, was EUR 3.0 (1.5) million, i.e. 5.3 (2.8)% of net sales. The Machines segment's comparable operating profit in January-June, excluding non-recurring items, was EUR 4.2 (2.1) million and the Services segment's comparable operating profit, excluding non-recurring items, was EUR 2.0 (2.0) million.

The second-quarter comparable operating profit, excluding non-recurring items, was EUR 1.7 (1.8) million, i.e. 5.8 (5.9)% of net sales. In April-June, the Machines segment's operating profit, excluding non-recurring items, was EUR 1.9 (2.2) million and the Services segment's operating profit, excluding non-recurring items, was EUR 1.2 (0.8) million.

The comparable operating profit of Glaston's Continuing Operations in January-June was EUR 2.8 (0.8) million, i.e. 4.9 (1.6)% of net sales, and the comparable operating profit in April-June was EUR 1.5 (1.2) million.

Comparable EBIT, EUR million	4-6/2015	4-6/2014	1-6/2015	1-6/2014	2014
Machines	1.9	2.2	4.2	2.1	6.0
Services	1.2	0.8	2.0	2.0	4.1
Parent, eliminations	-1.3	-1.3	-3.3	-2.6	-4.6
<b>EBIT, excluding non-recurring items</b>	<b>1.7</b>	<b>1.8</b>	<b>3.0</b>	<b>1.5</b>	<b>5.5</b>
<b>Non-recurring items</b>	<b>-0.2</b>	<b>-0.6</b>	<b>-0.2</b>	<b>-0.6</b>	<b>-0.6</b>
<b>EBIT, Continuing Operations</b>	<b>1.5</b>	<b>1.2</b>	<b>2.8</b>	<b>0.8</b>	<b>4.9</b>

Continuing Operations' 2015 non-recurring item of EUR -0,2 million consists of restructuring costs provision. In the second quarter of 2014, the sale of the Software Solutions business was completed. The final selling price, paid on 1 July 2014, was EUR 1.5 million, and an adjustment of EUR -0.6 million to the final selling price was recognised as a non-recurring item.

Continuing Operations' January-June operating profit was EUR 2.6 (4.0) million. The sale of the pre-processing machines business was completed as the second quarter ended. The result of the pre-processing machines business as well as the sales loss on the disposal of the business area, are presented as Discontinued Operations. The result, after the result of Discontinued Operations, was a loss of EUR 11.1 (0.6 profit) million.

In January-June, the return on capital employed (ROCE) for Continuing Operations was 20.2 (11.4)%. Return on capital employed (ROCE) was -26.2 (2.2)%.

### Discontinued Operations

Glaston announced in May 2015 that it was negotiating the sale of its pre-processing machines business, and the sale of 100% of the shares of Glaston Italy S.p.A. was completed as the second quarter ended.

The result of Glaston's Discontinued Operations for January-June 2015 includes the result of the pre-processing machines business for the period 1 January - 30 June 2015 and the sales loss on the divestment of the business area.

Discontinued Operations include non-recurring items totalling EUR -0.5 million.

EUR million	1-6/2015	1-6/2014
Discontinued Operations' result before taxes	-3.9	-3.4
Income tax	-0.2	-0.0
Sales loss on the disposal of Discontinued Operations	-9.7	-
<b>Discontinued Operations' profit / loss</b>	<b>-13.7</b>	<b>-3.4</b>

### Earnings per share

Continuing Operations' earnings per share in the review period were EUR 0.01 (0.02) and Discontinued Operations' earnings per share were EUR -0.07 (-0.02). Continuing and Discontinued Operations' earnings per share totalled EUR -0.06 (0.00).

## **Financial position, cash flow and financing**

In June, Glaston signed a new long-term financing agreement, which fully replaces previous financial agreements and secures the company's financing for the next three years. The new financing agreement consists of a EUR 10.0 million long-term loan as well as a EUR 22.0 million revolving credit facility, which can be used for short-term financing and guarantees. The financial covenants used in the financing agreement are gearing (net debt/ equity) and leverage (net debt/EBITDA). The covenants will be monitored quarterly.

At the end of June, the Group's liquid funds totalled EUR 8.9 (12.2) million. Interest-bearing net debt totalled EUR 6.1 (10.7) million and net gearing was 16.4 (21.8)%.

At the end of the review period, the consolidated asset total was EUR 108.6 (121.8) million. The equity attributable to the owners of the parent was EUR 37.1 (48.7) million. The share issue-adjusted equity per share was EUR 0.19 (0.25). The return on equity in January-June was -50.2 (2.4)%.

Cash flow from operating activities, before the change in working capital, was EUR 2.7 (2.7) million in January-June. The change in working capital was EUR -8.4 (-4.0) million. During the first six months of the year, cash flow from investments was EUR -2.7 (-1.0) million and cash flow from financing activities was EUR -3.9 (-2.1) million.

## **Capital expenditure, depreciation and amortisation**

The gross capital expenditure of Glaston's Continuing and Discontinued Operations totalled EUR 2.8 (1.0) million. The most significant investments in the review period related to product development projects and the production expansion project in China, which will be completed in September. Continuing Operations' depreciation and amortisation on property, plant and equipment and on intangible assets totalled EUR 1.7 (2.0) million.

## **Employees**

Glaston's Continuing Operations had a total of 513 (501) employees on 30 June 2015. Of the Group's employees, 33% worked in Finland and 12% elsewhere in the EMEA area, 37% in Asia and 17% in the Americas. The average number of employees was 511 (492).

## **Shares and share prices**

Glaston Corporation's paid and registered share capital on 30 June 2015 was EUR 12.7 million and the number of issued and registered shares totalled 193,708,336. The company has one series of share. At the end of June, the company held 788,582 of the company's own shares (treasury shares), corresponding to 0.41% of the total number of issued and registered shares and votes. The counter book value of treasury shares is EUR 51,685.

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

During the first six months of the year, a total of around 42.7 (20.5) million of the company's shares were traded, i.e. around 22.1 (10.6)% of the average number of registered shares. The lowest price paid for a share was EUR 0.37 (0.35) and the highest price EUR 0.60 (0.45). The volume-weighted average price of shares traded in January-June was EUR 0.51 (0.40). The closing price on 30 June 2015 was EUR 0.49 (0.36).

On 30 June 2015, the market capitalisation of the company's registered shares, treasury shares excluded, was EUR 94.5 (69.5) million. The share issue-adjusted equity per share attributable to the owners of the parent was EUR 0.19 (0.25).

## **Uncertainties in the near future**

The company operates in global markets in which both political and economic uncertainty arise. The company's uncertainties and risks in the near future are to a large extent linked to the development of the global economy or the geopolitically changed situation. A possible slow-down in the construction market, particularly in North America and Europe, might weaken the company's market. The uncertainty of the market environment might impact the timing of large orders as well as customers' willingness to invest.

The instability of the global economy 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 slows, this will have a negative impact 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 whose financial situation is uncertain. Glaston is continuously monitoring the situation and will recognise an impairment of these receivables, if necessary.

The 2014 Annual Report contains a more detailed account of Glaston's risks and risk management.

## **Outlook**

We expect Glaston's markets to grow moderately in 2015. In sales of new machines, we expect good development to continue in the EMEA area and in North America. We expect the South American market to remain at its present level in the short term and the Asian market to pick up during the latter part of the year. In the services market, we expect the good development to continue during the latter part of the year and particularly so with respect to upgrades.

At the heart of Glaston's strategy is profitable growth. Glaston's expertise is strongest in heat treatment technology and service business, on which we can now fully focus our resources. We consider growth conditions to be very good in these product groups.

Glaston revises its business outlook for 2015. Glaston expects that Continuing Operations' 2015 net sales and comparable operating profit, excluding non-recurring items, will exceed the level of 2014 (in 2014 net sales were EUR 109.7 million and comparable operating profit, excluding non-recurring items, was EUR 5.5 million).

Previous outlook: Glaston expects that 2015 net sales and operating profit, excluding non-recurring items, will exceed the level of 2014 (in 2014, net sales were EUR 124.5 million and operating profit, excluding non-recurring items, was EUR 4.9 million).

Helsinki, 6 August 2015  
Glaston Corporation  
Board of Directors

For further information, please contact:  
President & CEO Arto Metsänen, tel. +358 10 500 6100  
Chief Financial Officer Sasu Koivumäki, tel. +358 10 500 500

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

**Glaston Corporation**

Glaston is a leading company in glass processing technologies. We provide high-quality heat treatment machines and services for architectural, solar, appliance and automotive applications. We are committed to our customers' success over the entire lifecycle of our offering. Moreover, we continuously innovate and develop technologies to enable the glass processing industry to reach ever higher standards in quality and safety. Glaston's shares (GLA1V) are listed on NASDAQ OMX Helsinki. Further information is available at [www.glaston.net](http://www.glaston.net)

Distribution: NASDAQ OMX Helsinki, key media, [www.glaston.net](http://www.glaston.net)



## GLASTON CORPORATION

### CONDENSED FINANCIAL STATEMENTS AND NOTES 1 JANUARY – 30 JUNE 2015

These interim financial statements are not audited. As a result of rounding differences, the figures presented in the tables may not add up to the total.

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	<u>30.6.2015</u>	<u>30.6.2014</u>	<u>31.12.2014</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	30.6	36.8	36.8
Other intangible assets	6.5	7.8	7.8
Property, plant and equipment	9.0	6.5	7.5
Available-for-sale assets	0.4	0.4	0.4
Loan receivables	2.3	1.8	1.8
Deferred tax assets	1.9	3.8	3.0
<b>Total non-current assets</b>	<b>50.7</b>	<b>57.1</b>	<b>57.2</b>
<b>Current assets</b>			
Inventories	21.2	22.1	21.8
Receivables			
Trade and other receivables	27.7	29.6	29.3
Assets for current tax	0.2	0.9	0.3
Total receivables	27.9	30.5	29.6
Cash equivalents	8.9	12.2	20.0
<b>Total current assets</b>	<b>57.9</b>	<b>64.8</b>	<b>71.5</b>
<b>Total assets</b>	<b>108.6</b>	<b>121.8</b>	<b>128.7</b>

	<u>30.6.2015</u>	<u>30.6.2014</u>	<u>31.12.2014</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
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	43.5	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	-30.2	-34.2	-32.8
Net result attributable to owners of the parent	-11.1	0.6	1.2
<b>Equity attributable to owners of the parent</b>	<b>37.1</b>	<b>48.7</b>	<b>50.5</b>
<b>Non-controlling interest</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
<b>Total equity</b>	<b>37.5</b>	<b>48.9</b>	<b>50.8</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	7.5	10.3	7.5
Non-current interest-free liabilities and provisions	1.8	2.2	2.9
Deferred tax liabilities	0.9	0.8	1.1
<b>Total non-current liabilities</b>	<b>10.1</b>	<b>13.3</b>	<b>11.4</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	7.5	12.6	7.6
Current provisions	3.0	2.8	3.3
Trade and other payables	49.9	44.0	55.1
Liabilities for current tax	0.7	0.2	0.5
<b>Total current liabilities</b>	<b>61.0</b>	<b>59.6</b>	<b>66.4</b>
<b>Total liabilities</b>	<b>71.2</b>	<b>72.9</b>	<b>77.8</b>
<b>Total equity and liabilities</b>	<b>108.6</b>	<b>121.8</b>	<b>128.7</b>

## CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	<u>4-6/2015</u>	restated <u>4-6/2014</u>	<u>1-6/2015</u>	restated <u>1-6/2014</u>	restated <u>1-12/2014</u>
<b>Net sales</b>	<b>30.1</b>	<b>31.1</b>	<b>56.5</b>	<b>51.3</b>	<b>109.7</b>
Other operating income	0.2	0.3	0.4	0.5	0.9
Expenses	-27.0	-27.4	-50.2	-45.8	-96.1
Depreciation, amortization and impairment	-0.9	-1.0	-1.7	-2.0	-3.7
<b>Operating result</b>	<b>2.5</b>	<b>3.0</b>	<b>4.9</b>	<b>4.0</b>	<b>10.8</b>
Financial items, net	-0.4	0.1	-1.0	0.2	-0.6
<b>Result before income taxes</b>	<b>2.0</b>	<b>3.1</b>	<b>3.9</b>	<b>4.2</b>	<b>10.2</b>
Income taxes	-1.2	-0.1	-1.3	-0.2	-2.4
<b>Profit / loss for the period from continuing operations</b>	<b>0.8</b>	<b>2.9</b>	<b>2.6</b>	<b>4.0</b>	<b>7.7</b>
<b>Profit / loss after tax for the period from discontinued operations</b>	<b>-12.0</b>	<b>-1.6</b>	<b>-13.7</b>	<b>-3.4</b>	<b>-6.6</b>
<b>Profit / loss for the period</b>	<b>-11.2</b>	<b>1.3</b>	<b>-11.1</b>	<b>0.6</b>	<b>1.1</b>
<b>Attributable to:</b>					
Owners of the parent	-11.2	1.3	-11.1	0.6	1.2
Non-controlling interest	-0.0	0.0	-0.0	-0.0	-0.0
<b>Total</b>	<b>-11.2</b>	<b>1.3</b>	<b>-11.1</b>	<b>0.6</b>	<b>1.1</b>
Earnings per share, EUR, continuing operations	0.00	0.02	0.01	0.02	0.04
Earnings per share, EUR, discontinued operations	-0.06	-0.01	-0.07	-0.02	-0.03
<b>Earnings per share, EUR, basic and diluted</b>	<b>-0.06</b>	<b>0.01</b>	<b>-0.06</b>	<b>0.00</b>	<b>0.01</b>
Operating result, continuing operations , as % of net sales	8.2	9.5	8.7	7.9	9.8
Profit / loss for the period, continuing operations , as % of net sales	2.7	9.4	4.7	7.9	7.1
Profit / loss for the period, as % of net sales	-37.1	4.3	-19.6	1.2	1.0
Non-recurring items included in operating result, continuing operations	-0.2	-0.6	-0.2	-0.6	-0.6
Operating result, non-recurring items excluded, continuing operations	2.7	3.6	5.1	4.7	11.4
Operating result, continuing operations, non-recurring items excluded, as % of net sales	8.9	11.6	9.1	9.1	10.4

## CONSOLIDATED STATEMENT OF COMPEREHENSIVE INCOME

EUR million	<u>4-6/2015</u>	<u>4-6/2014</u>	<u>1-6/2015</u>	<u>1-6/2014</u>	<u>1-12/2014</u>
<b>Profit / loss for the period</b>	<b>-11.2</b>	<b>1.3</b>	<b>-11.1</b>	<b>0.6</b>	<b>1.1</b>
<b>Other comprehensive income that will be reclassified subsequently to profit or loss:</b>					
Exchange differences on translating foreign operations	-0.6	-0.1	1.6	-0.4	1.2
Fair value changes of available-for-sale assets	0.0	0.0	0.0	0.0	0.0
Income tax on other comprehensive income	-0.0	-0.0	-0.0	-0.0	-0.0
<b>Other comprehensive income that will not be reclassified subsequently to profit or loss:</b>					
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	-	-	-	-	-0.2
<b>Other comprehensive income for the reporting period, net of tax</b>	<b>-0.6</b>	<b>-0.1</b>	<b>1.6</b>	<b>-0.4</b>	<b>0.9</b>
<b>Total comprehensive income for the reporting period</b>	<b>-11.7</b>	<b>1.3</b>	<b>-9.5</b>	<b>0.2</b>	<b>2.1</b>
<b>Attributable to:</b>					
Owners of the parent	-11.7	1.2	-9.5	0.2	2.1
Non-controlling interest	-0.0	0.0	0.0	-0.0	0.0
<b>Total comprehensive income for the reporting period</b>	<b>-11.7</b>	<b>1.3</b>	<b>-9.5</b>	<b>0.2</b>	<b>2.1</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	<u>1-6/2015</u>	<u>1-6/2014</u>	<u>1-12/2014</u>
<b>Cash flows from operating activities</b>			
Cash flow before change in net working capital	2.7	2.7	9.2
Change in net working capital	-8.4	-4.0	7.4
<b>Net cash flow from operating activities</b>	<b>-5.6</b>	<b>-1.3</b>	<b>16.6</b>
<b>Cash flow from investing activities</b>			
Other purchases of non-current assets	-2.8	-1.1	-3.6
Proceeds from sale of business	0.2	-	1.5
Proceeds from sale of other non-current assets	0.0	0.1	0.1
<b>Net cash flow from investing activities</b>	<b>-2.7</b>	<b>-1.0</b>	<b>-2.0</b>
<b>Cash flow before financing</b>	<b>-8.3</b>	<b>-2.3</b>	<b>14.6</b>
<b>Cash flow from financing activities</b>			
Increase in non-current liabilities	7.5	-	-
Decrease in non-current liabilities	-10.1	-1.4	-4.2
Changes in loan receivables (increase - / decrease +)	0.0	0.0	0.0
Increase in short-term liabilities	17.5	10.0	30.0
Decrease in short-term liabilities	-15.0	-10.8	-35.8
Paid dividend	-	-	-1.9
Return of capital	-3.9	-	-
<b>Net cash flow from financing activities</b>	<b>-3.9</b>	<b>-2.1</b>	<b>-11.8</b>
<b>Effect of exchange rate changes</b>	<b>1.0</b>	<b>0.2</b>	<b>0.9</b>
<b>Net change in cash and cash equivalents</b>	<b>-11.2</b>	<b>-4.2</b>	<b>3.7</b>
Cash and cash equivalents at the beginning of period	20.0	16.4	16.4
Cash and cash equivalents at the end of period	8.9	12.2	20.0

<b>Net change in cash and cash equivalents</b>	<b>-11.2</b>	<b>-4.2</b>	<b>3.7</b>
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**Proceeds from divestment of businesses:**

EUR million	<b>2015</b>	<b>2014</b>
Purchase consideration received in cash	0.5	1.5
Expenses related to the sale, paid during the year	-0.0	-
Cash and cash equivalents of divested subsidiaries	-0.3	-
<b>Net cash flow</b>	<b>0.2</b>	<b>1.5</b>

**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
<b>Equity at 1 January, 2014</b>	<b>12.7</b>	<b>25.3</b>	<b>47.3</b>	<b>-3.3</b>	<b>0.2</b>	<b>-32.3</b>	<b>0.5</b>	<b>50.4</b>	<b>0.3</b>	<b>50.7</b>
Total compr. income for the period	-	-	-	-	0.0	0.6	-0.4	0.2	-0.0	0.2
Change in non-controlling interest	-	-	-	-	-	-	-	-	-0.0	-0.0
Dividend payable	-	-	-	-	-	-1.9	-	-1.9	-	-1.9
<b>Equity at 30 June, 2014</b>	<b>12.7</b>	<b>25.3</b>	<b>47.3</b>	<b>-3.3</b>	<b>0.2</b>	<b>-33.6</b>	<b>0.1</b>	<b>48.7</b>	<b>0.3</b>	<b>48.9</b>

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
<b>Equity at 1 January, 2015</b>	<b>12.7</b>	<b>25.3</b>	<b>47.3</b>	<b>-3.3</b>	<b>0.2</b>	<b>-33.3</b>	<b>1.6</b>	<b>50.5</b>	<b>0.3</b>	<b>50.8</b>
Total compr. income for the period	-	-	-	-	0.0	-11.1	1.5	-9.5	0.0	-9.5
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	-
Return of equity	-	-	-3.9	-	-	-	-	-3.9	-	-3.9
Dividend payable	-	-	-	-	-	-	-	-	-	-
<b>Equity at 30 June, 2015</b>	<b>12.7</b>	<b>25.3</b>	<b>43.5</b>	<b>-3.3</b>	<b>0.2</b>	<b>-44.4</b>	<b>3.1</b>	<b>37.1</b>	<b>0.3</b>	<b>37.5</b>

## KEY RATIOS

	<u>30.6.2015</u>	restated <u>30.6.2014</u>	restated <u>31.12.2014</u>
EBITDA, as % of net sales <sup>(1)</sup>	11.8	11.7	13.2
Operating result (EBIT), as % of net sales	8.7	7.9	9.8
Profit / loss for the period, as % of net sales	-19.6	1.2	1.0
Gross capital expenditure, continuing and discontinued operations, EUR million	2.8	1.0	3.6
Gross capital expenditure, as % of net sales of continuing and discontinued operations	4.5	1.8	2.9
Equity ratio, %	43.7	45.0	47.7
Gearing, %	40.0	46.7	29.6
Net gearing, %	16.4	21.8	-9.8
Net interest-bearing debt, EUR million	6.1	10.7	-5.0
Capital employed, end of period, EUR million	52.5	71.8	65.9
Return on equity, %, annualized	-50.2	2.4	2.2
Return on capital employed, %, annualized	-26.2	2.2	7.9
Return on capital employed, continuing operations %, annualized	20.2	11.4	17.2
Number of personnel, average	511	492	494
Number of personnel, end of period	513	501	495

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

## PER SHARE DATA

	<u>30.6.2015</u>	restated <u>30.6.2014</u>	restated <u>31.12.2014</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	192,920	192,920
Number of shares, dilution effect of the convertible bond taken into account, average, adjusted with share issue, treasury shares excluded (1,000)	192,920	192,920	192,920
EPS, continuing operations, basic and diluted, adjusted with share issue, EUR	0.01	0.02	0.04
EPS, Discontinued Operations, basic and diluted, adjusted with share issue, EUR	-0.07	-0.02	-0.03
EPS, total, basic and diluted, adjusted with share issue, EUR	-0.06	0.00	0.01
Adjusted equity attributable to owners of the parent per share, EUR	0.19	0.25	0.26
Capital repayment per share, EUR	-	-	0.02
Capital repayment ratio, %	-	-	335.4
Capital repayment yield	-	-	5.3
Price per adjusted earnings per share (P/E) ratio	-8.5	111.5	63.7
Price per adjusted equity attributable to owners of the parent per share	2.60	1.43	1.45
Market capitalization of registered shares, EUR million	94.5	69.5	73.3
Share turnover, % (number of shares traded, % of the average registered number of shares)	22.1	10.6	23.9
Number of shares traded, (1,000)	42,720	20,538	46,061
Closing price of the share, EUR	0.49	0.36	0.38
Highest quoted price, EUR	0.60	0.45	0.45
Lowest quoted price, EUR	0.37	0.35	0.32
Volume-weighted average quoted price, EUR	0.51	0.40	0.38

## 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

\*The definition is also applied with return of capital

### Financial ratios

EBITDA:

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

Operating result (EBIT):

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

Operating result (EBIT) excluding non-recurring items:

Profit / loss of continuing operations after depreciation, amortization and impairment, share of associates' results included, non-recurring items excluded

Cash and cash equivalents:

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

Net interest-bearing debt:

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

Financial expenses:

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

Equity ratio, %:

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

Gearing, %:

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

Net gearing, %:

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

Return on capital employed, % (ROCE):

Profit / loss before taxes + financial expenses x 100 / Equity + interest-bearing liabilities, average of 1 January and end of the reporting period

Return on equity, % (ROE).

Profit / loss for the reporting period x 100 /

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

## ACCOUNTING PRINCIPLES

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

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.

Glaston will apply the following new or revised or amended standards and interpretations from 1 January, 2015, if EU has approved them:

Annual improvement to IFRSs 2010-2012 and 2011-2013 Cycles

Annual improvements 2012

IFRS 2 Share based payments

IFRS 3 Business combinations

IFRS 8 Operating segments

IFRS 13 Fair value

IAS 16 Property plant and equipment

IAS 24 Related party disclosures

IAS 38 Intangible assets

Annual improvements 2013

IFRS1 First time adoptions of IFRS

IFRS 3 Business combinations

IFRS 13 Fair value measurement

IAS 40 Investment property

The amendments do not have a material impact on the consolidated financial statements.

#### IAS 19 (amended) Defined Benefit Plans: Employee Contributions

The amended applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions.

The amendment does not have an impact on the consolidated financial statements.

Other new or amended standards or interpretations applicable from 1 January, 2015 are not material for Glaston Group.

## SEGMENT INFORMATION

The reportable segments of Glaston are Machines and Services. The sale of the pre-processing machines business is presented as discontinued operations. The reportable segments comply with the accounting and valuation principles of the group financial statements. 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 is 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. Pre-processing has been presented as discontinued operations with the exception of distribution business.

The Services segment comprises glass processing machine maintenance and service operations, sales of machine upgrades and spare parts, and manufacturing and sales of tools. Pre-processing services has been presented as discontinued operations with the exception of distribution business.

Glaston's remaining business operations will be reported as a single segment from 30 September 2015.

The unallocated operating result consists of head office operations of the Group.

The non-recurring items of January-June 2015, in total EUR 0.2 million negative, consist of the restructuring cost provision.

The non-recurring items of January-June 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.

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

## CONTINUING OPERATIONS

### Machines

EUR million	4-6/2015	4-6/2014	1-6/2015	1-6/2014	1-12/2014
External sales	20.5	23.2	38.5	35.8	75.4
Intersegment sales	0.0	-	0.0	-0.0	0.1
<b>Net sales</b>	<b>20.5</b>	<b>23.2</b>	<b>38.5</b>	<b>35.8</b>	<b>75.4</b>
<b>EBIT excluding non-recurring items</b>	<b>2.4</b>	<b>3.7</b>	<b>5.5</b>	<b>4.7</b>	<b>10.5</b>
EBIT-%, excl. non-recurring items	11.6	15.8	14.4	13.2	13.9
Non-recurring items	-0.2	-	-0.2	-	-
<b>EBIT</b>	<b>2.2</b>	<b>3.7</b>	<b>5.3</b>	<b>4.7</b>	<b>10.5</b>



EBIT-%	10.6	15.8	13.9	13.2	13.9
Net working capital			2.8	18.4	9.6
Number of personnel, average			294	274	276
Number of personnel, end of period			301	281	282

## Services

EUR million	4-6/2015	4-6/2014	1-6/2015	1-6/2014	1-12/2014
External sales	9.5	7.9	17.8	15.4	34.3
Intersegment sales	0.4	0.3	0.8	0.9	1.7
<b>Net sales</b>	<b>9.9</b>	<b>8.3</b>	<b>18.6</b>	<b>16.3</b>	<b>36.1</b>
<b>EBIT excluding non-recurring items</b>	<b>1.6</b>	<b>1.2</b>	<b>2.9</b>	<b>2.6</b>	<b>5.6</b>
EBIT-%, excl. non-recurring items	16.4	14.4	15.4	15.7	15.4
Non-recurring items	-	-	-	-	-
<b>EBIT</b>	<b>1.6</b>	<b>1.2</b>	<b>2.9</b>	<b>2.6</b>	<b>5.6</b>
EBIT-%	16.4	14.4	15.4	15.7	15.4
Net working capital			34.2	31.4	29.6
Number of personnel, average			202	206	205
Number of personnel, end of period			197	207	201

## Glaston Group

### Net sales

EUR million	4-6/2015	4-6/2014	1-6/2015	1-6/2014	1-12/2014
Machines	20.5	23.2	38.5	35.8	75.4
Services	9.9	8.3	18.6	16.3	36.1
Other and intersegment sales	-0.2	-0.3	-0.6	-0.8	-1.8
<b>Glaston Group total</b>	<b>30.1</b>	<b>31.1</b>	<b>56.5</b>	<b>51.3</b>	<b>109.7</b>

### EBIT

EUR million	4-6/2015	4-6/2014	1-6/2015	1-6/2014	1-12/2014
Machines	2.4	3.7	5.5	4.7	10.5
Services	1.6	1.2	2.9	2.6	5.6
Other and eliminations	-1.3	-1.3	-3.3	-2.6	-4.6
<b>EBIT excluding non-recurring items</b>	<b>2.7</b>	<b>3.6</b>	<b>5.1</b>	<b>4.7</b>	<b>11.4</b>
Non-recurring items	-0.2	-0.6	-0.2	-0.6	-0.6
<b>EBIT, continuing operations</b>	<b>2.5</b>	<b>3.0</b>	<b>4.9</b>	<b>4.0</b>	<b>10.8</b>
Net financial items	-0.4	0.1	-1.0	0.2	-0.6
<b>Result before income taxes from continuing operations</b>	<b>2.0</b>	<b>3.1</b>	<b>3.9</b>	<b>4.2</b>	<b>10.2</b>
Income taxes from continuing operations	-1.2	-0.1	-1.3	-0.2	-2.4
<b>Result from continuing operations</b>	<b>0.8</b>	<b>2.9</b>	<b>2.6</b>	<b>4.0</b>	<b>7.7</b>
Net discontinued operations	-12.0	-1.6	-13.7	-3.4	-6.6
<b>Net result</b>	<b>-11.2</b>	<b>1.3</b>	<b>-11.1</b>	<b>0.6</b>	<b>1.1</b>
Number of personnel, average			511	492	494
Number of personnel, end of period			513	501	495

### Segment assets

EUR million	1-6/2015	1-6/2014	1-12/2014
Machines	47.8	56.8	60.4
Services	42.1	38.7	38.9
<b>Total segments</b>	<b>89.9</b>	<b>95.5</b>	<b>99.3</b>
Unallocated and eliminations and adjustments	2.6	3.9	2.1

<b>Total segment assets</b>	<b>92.5</b>	<b>99.4</b>	<b>101.4</b>
Other assets	16.1	22.4	27.3
<b>Total assets</b>	<b>108.6</b>	<b>121.8</b>	<b>128.7</b>

#### **Segment liabilities**

EUR million	<b>1-6/2015</b>	<b>1-6/2014</b>	<b>1-12/2014</b>
Machines	45.0	38.5	50.8
Services	7.9	7.3	9.2
<b>Total segments</b>	<b>52.9</b>	<b>45.8</b>	<b>60.1</b>
Unallocated and eliminations and adjustments	1.5	1.3	1.1
<b>Total segment liabilities</b>	<b>54.4</b>	<b>47.1</b>	<b>61.2</b>
Other liabilities	16.7	25.8	16.6
<b>Total liabilities</b>	<b>71.2</b>	<b>72.9</b>	<b>77.8</b>

#### **Net working capital**

EUR million	<b>1-6/2015</b>	<b>1-6/2014</b>	<b>1-12/2014</b>
Machines	2.8	18.4	9.6
Services	34.2	31.4	29.6
<b>Total segments</b>	<b>37.0</b>	<b>49.7</b>	<b>39.2</b>
Unallocated and eliminations and adjustments	1.1	2.6	1.0
<b>Total Glaston Group</b>	<b>38.1</b>	<b>52.3</b>	<b>40.2</b>

#### **Order intake (continuing operations)**

EUR million	<b>1-6/2015</b>	<b>1-6/2014</b>	<b>1-12/2014</b>
Machines	35.8	33.8	97.8
Services	19.3	15.7	35.8
<b>Total Glaston Group</b>	<b>55.0</b>	<b>49.5</b>	<b>133.6</b>

#### **Net sales by geographical areas (continuing operations)**

EUR million	<b>1-6/2015</b>	<b>1-6/2014</b>	<b>1-12/2014</b>
EMEA	28.4	22.0	47.4
Asia	7.4	11.7	22.0
America	20.7	17.6	40.4
<b>Total</b>	<b>56.5</b>	<b>51.3</b>	<b>109.7</b>

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

### Continuing operations

#### Machines

EUR million	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
External sales	20.5	18.0	25.2	14.3	23.2	12.6
Intersegment sales	0.0	0.0	0.1	0.0	-	-0.0
<b>Net sales</b>	<b>20.5</b>	<b>18.0</b>	<b>25.3</b>	<b>14.3</b>	<b>23.2</b>	<b>12.6</b>
<b>EBIT excluding non-recurring items</b>	<b>2.4</b>	<b>3.2</b>	<b>4.1</b>	<b>1.7</b>	<b>3.7</b>	<b>1.0</b>
EBIT-%, excl. non-recurring items	11.6	17.6	16.4	11.5	15.8	8.2
Non-recurring items	-0.2	-	-	-	-	-
<b>EBIT</b>	<b>2.2</b>	<b>3.2</b>	<b>4.1</b>	<b>1.7</b>	<b>3.7</b>	<b>1.0</b>
EBIT-%	10.6	17.6	16.4	11.5	15.8	8.2

#### Services

EUR million	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
External sales	9.5	8.3	11.4	7.5	7.9	7.5
Intersegment sales	0.4	0.4	0.5	0.4	0.3	0.6
<b>Net sales</b>	<b>9.9</b>	<b>8.7</b>	<b>11.8</b>	<b>7.9</b>	<b>8.3</b>	<b>8.1</b>
<b>EBIT excluding non-recurring items</b>	<b>1.6</b>	<b>1.3</b>	<b>1.7</b>	<b>1.3</b>	<b>1.2</b>	<b>1.4</b>
EBIT-%, excl. non-recurring items	16.4	14.4	14.2	16.6	14.4	17.1
Non-recurring items	-	-	-	-	-	-
<b>EBIT</b>	<b>1.6</b>	<b>1.3</b>	<b>1.7</b>	<b>1.3</b>	<b>1.2</b>	<b>1.4</b>
EBIT-%	16.4	14.4	14.2	16.6	14.4	17.1

#### Net sales

EUR million	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
Machines	20.5	18.0	25.3	14.3	23.2	12.6
Services	9.9	8.7	11.8	7.9	8.3	8.1
Other and intersegment sales	-0.2	-0.4	-0.6	-0.4	-0.3	-0.5
<b>Glaston Group total</b>	<b>30.1</b>	<b>26.3</b>	<b>36.6</b>	<b>21.9</b>	<b>31.1</b>	<b>20.1</b>

#### EBIT

EUR million	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
Machines	2.4	3.2	4.1	1.7	3.7	1.0
Services	1.6	1.3	1.7	1.3	1.2	1.4
Other and eliminations	-1.3	-2.0	-1.2	-0.8	-1.3	-1.3
<b>EBIT excluding non-recurring items</b>	<b>2.7</b>	<b>2.5</b>	<b>4.6</b>	<b>2.1</b>	<b>3.6</b>	<b>1.1</b>
Non-recurring items	-0.2	-	-	-	-0.6	-
<b>EBIT</b>	<b>2.5</b>	<b>2.5</b>	<b>4.6</b>	<b>2.1</b>	<b>3.0</b>	<b>1.1</b>

#### Order book (continuing operations)

	30.6.2015	31.3.2015	31.12.2014	30.9.2014	30.6.2014	31.3.2014
Machines	52.0	50.4	53.9	38.0	31.4	37.4
Services	4.0	2.4	2.1	3.7	1.3	1.6
<b>Total Glaston Group</b>	<b>56.0</b>	<b>52.8</b>	<b>56.0</b>	<b>41.7</b>	<b>32.7</b>	<b>39.0</b>

#### Order intake (continuing operations)

EUR million	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
Machines	21.7	14.1	41.8	22.2	18.1	15.7

Services	10.9	8.4	10.2	9.9	7.7	8.0
<b>Total Glaston Group</b>	<b>32.5</b>	<b>22.5</b>	<b>52.0</b>	<b>32.1</b>	<b>25.8</b>	<b>23.7</b>

## CONTINUING OPERATIONS, COMPARABLE EBIT

### Comparable EBIT

EUR million	4-6/2015	4-6/2014	1-6/2015	1-6/2014	1-12/2014
Machines	2.4	3.7	5.5	4.7	10.5
Adjustment (*)	-0.5	-1.4	-1.3	-2.6	-4.5
<b>Machines, comparable</b>	<b>1.9</b>	<b>2.2</b>	<b>4.2</b>	<b>2.1</b>	<b>6.0</b>
Services	1.6	1.2	2.9	2.6	5.6
Adjustment (*)	-0.4	-0.3	-0.9	-0.6	-1.4
<b>Services, comparable</b>	<b>1.2</b>	<b>0.8</b>	<b>2.0</b>	<b>2.0</b>	<b>4.1</b>
Other and eliminations	-1.3	-1.3	-3.3	-2.6	-4.6
<b>EBIT excluding non-recurring items</b>	<b>1.7</b>	<b>1.8</b>	<b>3.0</b>	<b>1.5</b>	<b>5.5</b>
Comparable EBIT-%, excl. non-recurring items	5.8%	5.9%	5.3%	2.8%	5.0%
Non-recurring items	-0.2	-0.6	-0.2	-0.6	-0.6
<b>Comparabile EBIT</b>	<b>1.5</b>	<b>1.2</b>	<b>2.8</b>	<b>0.8</b>	<b>4.9</b>
Comparable EBIT-%	5.1%	3.8%	4.9%	1.6%	4.5%
Total adjustments (*)	-0.9	-1.8	-2.1	-3.2	-5.9

### Comparable EBIT

EUR million	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
Machines	2.4	3.2	4.1	1.7	3.7	1.0
Adjustment (*)	-0.5	-0.8	-1.3	-0.6	-1.4	-1.2
<b>Machines, comparable</b>	<b>1.9</b>	<b>2.4</b>	<b>2.9</b>	<b>1.1</b>	<b>2.2</b>	<b>-0.1</b>
Services	1.6	1.3	1.7	1.3	1.2	1.4
Adjustment (*)	-0.4	-0.5	-0.4	-0.4	-0.3	-0.3
<b>Services, comparable</b>	<b>1.2</b>	<b>0.8</b>	<b>1.3</b>	<b>0.9</b>	<b>0.8</b>	<b>1.1</b>
Other and eliminations	-1.3	-2.0	-1.2	-0.8	-1.3	-1.3
<b>EBIT excluding non-recurring items</b>	<b>1.7</b>	<b>1.2</b>	<b>3.0</b>	<b>1.1</b>	<b>1.8</b>	<b>-0.4</b>
Comparable EBIT-%, excl. non-recurring items	5.8%	4.7%	8.1%	5.1%	5.9%	-1.9%
Non-recurring items	-0.2	-	-	-	-0.6	-
<b>Comparabile EBIT</b>	<b>1.5</b>	<b>1.2</b>	<b>3.0</b>	<b>1.1</b>	<b>1.2</b>	<b>-0.4</b>
Comparable EBIT-%	5.1%	4.7%	8.1%	5.1%	3.8%	-1.9%
Total adjustments (*)	-0.9	-1.2	-1.7	-1.0	-1.8	-1.4

\*) In Glaston group, there are transactions between continuing and discontinued operations, that continue as external transactions after the sale of the preprocessing business. The subsidiaries in Glaston group continue as distributors of preprocessing machines, and will continue buying these from former Glaston Italy S.p.A, current Bavelloni S.p.A. In the comparison figures, the group internal purchases that have been eliminated in group figures until 30.6.2015, are reported as external purchases starting 1.7.2015 (due to sale of company), and consequently these are not eliminated anymore. This affects the comparability of the continuing operations, and in order to be able to provide our investors with comparable figures, we adjust those group internal transactions, that henceforward will be external transactions in the group.

## DISCONTINUED OPERATIONS

Glaston announced in May 2015 that it was negotiating the sale of its pre-processing machines business, and the sale of 100% of the shares of Glaston Italy S.p.A. was completed as the second quarter ended.

Discontinued Operations includes the result of the pre-processing business and the sales loss on the disposal of the business area.

#### Revenue, expenses and result of discontinued operations

	1-6/2015	1-6/2014	1-12/2014
EUR million			
<b>Revenue</b>	6.5	7.0	14.8
Expenses	-10.4	-10.4	-21.3
<b>Gross profit</b>	<b>-3.9</b>	<b>-3.4</b>	<b>-6.5</b>
Finance costs, net	-0.0	-0.0	-0.1
<b>Profit / loss before tax from discontinued operations</b>	<b>-3.9</b>	<b>-3.4</b>	<b>-6.6</b>
Current income tax	-0.2	-0.0	-0.0
<b>Profit / loss after tax from discontinued operations</b>	<b>-4.1</b>	<b>-3.4</b>	<b>-6.6</b>
Loss from disposal of discontinued operations	-9.7	-	-
<b>Profit / loss from discontinued operations</b>	<b>-13.7</b>	<b>-3.4</b>	<b>-6.6</b>

#### Net cash flows of discontinued operations

	1-6/2015	1-6/2014	1-12/2014
EUR million			
Operating	-4.6	-3.0	-3.7
Investing	-0.5	-0.1	-0.2
Financing	-	-	-
<b>Net cash flow</b>	<b>-5.1</b>	<b>-3.1</b>	<b>-3.9</b>

#### CONTINGENT LIABILITIES

EUR million	<u>30.6.2015</u>	<u>30.6.2014</u>	<u>31.12.2014</u>
<b>Mortgages and pledges</b>			
On own behalf	166.9	303.1	303.7
<b>Guarantees</b>			
On own behalf	4.8	6.7	11.0
On behalf of others	1.3	0.0	0.0
Lease obligations	17.6	19.3	24.2
Repurchase obligations	0.6	-	0.7

Mortgages and pledges include EUR 23.9 million shares in group companies.

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

#### DERIVATIVE INSTRUMENTS

EUR million	<u>30.6.2015</u>		<u>30.6.2014</u>		<u>31.12.2014</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>
<b>Commodity derivatives</b>						
Electricity forwards	0.5	-0.1	0.6	-0.1	0.5	-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

EUR million			
<b>Changes in property, plant and equipment</b>	<b>1-6/2015</b>	<b>1-6/2014</b>	<b>1-12/2014</b>
Carrying amount at beginning of the period	7.5	6.9	6.9
Additions	1.9	0.2	1.4
Disposals	-0.1	0.0	-0.0
Depreciation and amortization	-0.6	-0.6	-1.2
Reclassification and other changes	0.1	0.0	-0.0
Exchange differences	0.3	-0.0	0.3
Carrying amount at end of the period	9.0	6.5	7.5

At the end of June 2015 Glaston has EUR 0.9 million contractual commitments for the acquisition of property, plant and equipment (30.6.2014 0.0; 31.12.2014 1.5).

EUR million			
<b>Changes in intangible assets</b>	<b>1-6/2015</b>	<b>1-6/2014</b>	<b>1-12/2014</b>
Carrying amount at beginning of the period	44.6	45.6	45.6
Additions	1.0	0.8	2.2
Disposals	-7.1	-	-0.1
Depreciation and amortization	-1.4	-1.7	-3.1
Impairment losses and reversals of impairment losses	-0.0	-	-
Reclassification and other changes	-0.0	0.0	0.0
Exchange differences	-0.1	-0.0	0.1
Carrying amount at end of the period	37.1	44.6	44.6

## SHAREHOLDER INFORMATION

### 20 largest shareholders 30 June , 2015

	Shareholder	Number of shares	% of shares and votes
1	Oy G.W.Sohlberg Ab	26,266,100	13.56%
2	Etera Mutual Pension Insurance Company	22,593,878	11.66%
3	Hymy Lahtinen Oy	20,800,000	10.74%
4	Varma Mutual Pension Insurance Company	12,786,643	6.60%
5	Evli Finnish Small Cap Fund	8,415,075	4.34%
6	Yleisradion Eläkesäätiö S.r.	6,987,579	3.61%
7	Nordea Pro Finland Fund	6,450,000	3.33%
8	Päivikki and Sakari Sohlberg Foundation	3,965,600	2.05%
9	Oy Investsum Ab	3,480,000	1.80%
10	Danske Invest Finnish Small Cap Fund	2,744,114	1.42%
11	The Central Church Fund	2,600,000	1.34%
12	Sijoitusrahasto Taaleritehdas Mikro Markka	2,400,000	1.24%
13	Säästöpankki Pienyhtiöt	2,307,860	1.19%
14	Sumelius Bjarne Henning	2,301,504	1.19%
15	eQ Pohjoismaat Pienyhtiö / EQ Rahastoyhtiö	2,016,083	1.04%
16	Sumelius-Fogelholm Birgitta	1,994,734	1.03%
17	Von Christierson Charlie	1,600,000	0.83%
18	Oy Nissala Ab	1,500,000	0.77%
19	Metsänen Arto Juhani	1,500,000	0.77%
20	Sumelius Christer	1,398,533	0.72%
20 largest shareholders total		134,107,703	69.23%
Nominee registered shareholders		1,676,398	0.87%
Other shares		57,924,235	29.90%
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.

The management of Glaston Italy SpA is not part of the Glaston Group's related parties and the sale of the shares of Glaston Italy S.p.A to the local management of Glaston Italy S.p.A is not reported as a related party transaction.

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 2015

On 27 January 2015, 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 2015–2017 and the possible rewards will be paid in spring 2018. The incentive scheme for 2015 covers 31 key persons of Glaston.

### 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 for 2014 covers 30 key persons of Glaston.

### 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 measurement hierarchy, Level 3, changes during the reporting period

EUR million	2015	2014
1 January	0.2	0.2
Impairment losses	-	-
Reclassification	-	-
30 June	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

	30.6.2015	30.6.2014	31.12.2014
Available-for-sale shares			
Level 1	0.1	0.1	0.1
Level 3	0.2	0.2	0.2
	0.4	0.4	0.4
Derivatives			
Level 2	-0.1	-0.1	-0.1