Glaston Interim Report 1 January – 30 September 2015: Net sales grew, profitability improved

Change in reporting
In the second quarter, Glaston sold 100% of the shares of Glaston Italy S.p.A., which specialised in pre-processing operations. As a result, Glaston reassessed its reporting segments and, as of 1 July 2015, combined the operating segments into a single reporting segment. This interim report has been prepared in accordance with the new segment structure.

As of the second quarter of 2015, pre-processing machines business has been classified in Discontinued Operations. Comments in the text refer only to Continuing Operations. Income statement comparison figures have been restated.

July-September 2015
- Orders received totalled EUR 28.2 (32.1) million.
- Net sales totalled EUR 34.3 (21.9) million.
- The comparable operating profit, excluding non-recurring items, was EUR 2.5 (1.1) million. [1)].
- The comparable operating profit was EUR 2.4 (1.1) million, i.e. 7.0% (5.1%) of net sales. [1).]

January-September 2015
- Orders received totalled EUR 83.2 (81.6) million.
- The order book on 30 September 2015 was EUR 47.8 (41.7) million.
- Net sales totalled EUR 90.8 (73.1) million.
- The comparable EBITDA was EUR 7.8 (4.8) million, i.e. 8.6 (6.6)% of net sales. [1).]
- The comparable operating profit, excluding non-recurring items, was EUR 5.5 (2.6) million. [1).]
- The comparable operating profit was EUR 5.2 (1.9) million, i.e. 5.7% (2.6%) of net sales. [1).]
- Continuing Operations' return on capital employed (ROCE) was 18.6 (12.9)%.
- Continuing Operations' earnings per share were EUR 0.01 (0.03).
- Interest-bearing net liabilities amounted to EUR 5.2 (9.5) million.

[1)] Due to the sale of the pre-processing machines business, internal purchases eliminated in the comparison figures up to 30 June 2015 change from 1 July 2015 to external purchases. This impacts 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.

President & CEO Arto Metsänen:
"The third quarter was good in terms of net sales growth. Compared with the corresponding period of the previous year, net sales grew by 57% to EUR 34.3 million. Both the Machines business and the Services business increased their net sales. Growth was mainly in North America, where net sales increased by 60% compared with July-September 2014, and in the EMEA, where net sales grew by 25%. The Asian market, too, showed signs of recovery. Our profitability improved, and the comparable operating profit, excluding non-recurring items, was EUR 2.5 million. Profitability was improved by increased net sales, although fixed costs relating to pre-processing business will adversely affect the year-end result. In respect of these, corrective measures are under way.

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The positive mood that prevailed in the EMEA area deteriorated during the summer. This was reflected in third-quarter orders received, which totalled EUR 28.2 (32.1) million. The order book on 30 September, however, was better than the previous year, EUR 47.8 (41.7) million. We expect order flow to increase slightly during the latter part of the year.

In the third quarter, we initiated measures in South America and Asia to restructure our operations in accordance with the company's structure and the prevailing market situation. With these measures, we are seeking significant annual savings of fixed costs."

Glaston's outlook for 2015 unchanged
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).

Key figures

	7–9/2015	restated 7–9/2014	1–9/2015	restated 1–9/2014	restated 2014
Order book, EUR million	47.8	41.7	47.8	41.7	56.0
Orders received, EUR million	28.2	32.1	83.2	81.6	133.6
Net sales, EUR million	34.3	21.9	90.8	73.1	109.7
EBITDA, comparable, EUR million	3.3	2.0	7.8	4.8	8.6
EBITDA, comparable, % net sales	9.5	9.3	8.6	6.6	7.8
EBIT, comparable, EUR million	2.4	1.1	5.2	1.9	4.9
EBIT, comparable, % net sales	7.0	5.1	5.7	2.6	4.5
Profit/loss for the period, EUR million	-1.3	-0.1	-12.4	0.5	1.1
Earnings per share, Continuing and Discontinued Operations, EUR	-0.01	-0.00	-0.06	0.00	0.01
Cash flow from operations, EUR million	2.0	2.0	-3.6	0.7	16.6
Return on capital employed, %, annualised	-12.4	4.8	-12.4	4.8	7.9
Gross capital expenditure, Continuing and Discontinued Operations, EUR million	0.8	1.1	3.7	2.1	3.6
Equity ratio, %	45.3	47.2	45.3	47.2	47.7
Gearing, %	38.2	42.5	38.2	42.5	29.6

Operating environment
In the third quarter of 2015, Glaston's markets continued to develop positively. In the North American and EMEA area markets, growth continued. In Asia, the machines market showed signs of recovery. In South America, the market remained subdued.

Machines
In the third quarter, the market situation remained favourable in North America and the EMEA area. The positive development of the North American market was intensified by construction, as glass processors prepared for additional investments. In the EMEA area, market development was stable.

In Asia, the market showed signs of picking up, although the recovery has been at a slower pace than expected. In the third quarter, Glaston received a significant order, when a customer in China ordered two Glaston CCS1000™ glass tempering furnaces. In total, the deal is worth approximately EUR 2.4 million. In the Pacific area, the market developed in a more positive direction, and in the summer Glaston received machine orders from both Australia and New Zealand.

In South America, the market remained weak. Of the area's largest markets, the unstable economic situation in Brazil in particular slowed customers' decision-making.

In the heat treatment machines segment, Glaston maintained its strong market position.

Services
The services market developed favourably during the third quarter. All product groups, excluding tools, developed positively, and Glaston's market position remained strong.

In modernisation and refurbishment products, the third quarter was very good. Glaston received a significant modernisation order worth approximately EUR 1 million from an automotive glass manufacturer in Spain. Large modernisation and refurbishment deals were also closed for New Zealand, the United Arab Emirates, Israel, Germany, Portugal, the USA and Colombia.

In the third quarter, sales of heat treatment machine spare parts continued to be good. The number of service work orders also grew. With regard to tools, competition continued to be aggressive, and market situation was challenging.

Orders received and order book
Glaston's third-quarter order intake totalled EUR 28.2 (32.1) million.The order intake of the Machines' business was EUR 15.1 (19.3) million. The most important orders were received from China, the USA and Germany.

The order intake of the Services business developed well in the third quarter and was EUR 13.1 (12.8) million. The most important orders were received from Spain, the Arab Emirates, Germany and Columbia.

The January-September order intake totalled EUR 83.2 (81.6) million.

Glaston's order book on 30 September 2015 stood at EUR 47.8 (41.7) million. Of the order book, the Machines business accounted for EUR 42.0 (35.7) million and the Services business for EUR 5.8 (6.0) million.

Order book, EUR million	**30.9.2015**	**30.9.2014**	**31.12.2014**
Machines	42.0	35.7	51.4
Services	5.8	6.0	4.6
Total	**47.8**	**41.7**	**56.0**

Net sales
Glaston's net sales grew in the third quarter by 57% compared with July-September 2014 and totalled EUR 34.3 million (7–9/2014: EUR 21.9 million). Net sales of the Machines business totalled EUR 21.0 (12.9) million and net sales of the Services business EUR 13.9 (9.4) million.

January-September net sales totalled EUR 90.8 (73.1) million. Net sales of the Machines business totalled EUR 57.1 (45.6) million and net sales of the Services business EUR 34.8 (28.7) million.

EMEA area net sales grew by 25% and totalled EUR 38.0 million (1–9/2014: EUR 30.4 million). Growth of net sales in the Americas continued to be good, driven by North America. Net sales grew by 60% and totalled EUR 41.4 million (1–9/2014: EUR 25.8 million). In the Asia area, net sales fell by 33% and totalled EUR 11.4 (1–9/2014: EUR 16.9 million).

Net sales, EUR million	7–9/2015	7–9/2014	1–9/2015	1–9/2014	2014
Machines	21.0	12.9	57.1	45.6	69.6
Services	13.9	9.4	34.8	28.7	41.9
Other and internal sales	-0.5	-0.3	-1.1	-1.1	-1.7
Total	34.3	21.9	90.8	73.1	109.7

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

Glaston's comparable operating profit in July-September, excluding non-recurring items, was EUR 2.5 (1.1) million, i.e. 7.4 (5.1)% of net sales. The operating profit, including non-recurring items, was EUR 2.4 (1.1) million. In the third quarter, non-recurring items totalling EUR 0.1 million, relating to the adjustment of the company structure, were recognised.

Comparable EBIT, EUR million	7–9/2015	7–9/2014	1–9/2015	1–9/2014	2014
EBIT, excluding non-recurring items	2.5	1.1	5.5	2.6	5.5
Non-recurring items	-0.1	-	-0.3	-0.6	-0.6
EBIT, Continuing Operations	2.4	1.1	5.2	1.9	4.9

In the review period January-September, the comparable operating profit, excluding non-recurring items, was EUR 5.5 (2.6) million, i.e. 6.1 (3.5)% of net sales. Glaston recognised a EUR -0.3 million restructuring cost provision as a non-recurring item. In the second quarter of 2014, an adjustment of EUR -0.6 million to the final selling price in the sale of Software Solutions was recognised.

The operating profit in January-September was EUR 7.3 (6.2) million. Financial expenses amounted to EUR -4.1 million, of which EUR -3.5 million was an unrealised exchange rate loss related to an internal loan caused by the strong weakening of the Brazilian real during the third quarter. The result before taxes was EUR 3.2 (6.1) million. The result, after the result of Discontinued Operations, was a loss of EUR 12.4 (0.5 profit) million.

Continuing Operations' earnings per share in January-September were EUR 0.01 (0.03) 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). Return on capital employed (ROCE) for Continuing Operations in January-September was 18.6 (12.9)%. Continuing and Discontinued Operations' return on capital employed (ROCE) was -12.4 (4.8)%.

Discontinued Operations

The sale of 100% of the shares of Glaston Italy S.p.A. was concluded as the second quarter ended.

The result of Glaston's Discontinued Operations for January-September includes the result of the pre-processing machines business for the period 1 January – 30 September 2015 as well as the sales loss of EUR -9.8 million on the disposal of the business area.

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

EUR MILLION	**1–9/2015**	**1–9/2014**
Discontinued Operations' result before taxes	-3.9	-4.3
Income tax	-0.2	-0.1
Sales loss on the disposal of Discontinued Operations	-9.8	-
Discontinued Operations' profit / loss	**-13.8**	**-4.4**

Financial position, cash flow and financing

Cash flow from operating activities, before the change in working capital, was EUR 5.7 (4.5) million in January-September. The change in working capital was EUR -9.4 (-3.8) million. Cash flow from investments was EUR -3.5 (-0.6) million and cash flow from financing activities was EUR -3.9 (-5.6) million.

At the end of September, the Group's liquid funds totalled EUR 9.5 (11.7) million. Interest-bearing net debt totalled EUR 5.2 (9.5) million and net gearing was 13.4 (19.1)%.

At the end of September, the consolidated asset total was EUR 105.7 (123.6) million. The equity attributable to the owners of the parent was EUR 38.2 (49.6) million. The share issue-adjusted equity per share was EUR 0.20 (0.26). Return on equity in January-September was -37.1 (1.4)%.

Glaston has a long-term financing agreement, which 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.

Capital expenditure, depreciation and amortisation

The gross capital expenditure of Glaston's Continuing and Discontinued Operations totalled EUR 3.7 (2.1) million. The investments were mainly related to product development and to the expansion of production in China.

Continuing Operations' depreciation and amortisation on property, plant and equipment and on intangible assets totalled EUR 2.6 (2.9) million.

Employees
As a result of the sale of the pre-processing machines business, operations were reorganised in those units which had operations that focused on pre-processing. The most significant impact was at the Tianjin factory in China, where the workforce was reduced by 35 employees. At the end of September 2015, Glaston had 470 (495) employees. The average number of employees was 506 (494).

To boost sales in the Pacific area and to improve the first-class customer experience, in September Glaston appointed Pekka Nieminen, Sales Director EMEA area heath treatment machines, as Sales Director for the Pacific area, to be stationed in Sydney, Australia. Of the Glaston Group's employees, 34% worked in Finland and 14% elsewhere in the EMEA area, 33% in Asia and 19% in the Americas.

Shares and share prices
Glaston Corporation's share capital on 30 September 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 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 January-September 2015, approximately 48.1 (28.2) million of Glaston's shares were traded on NASDAQ OMX Helsinki, i.e. around 25.0 (14.6)% of the average number of registered shares. The lowest price paid for a share was EUR 0.37 (0.33) and the highest price EUR 0.60 (0.45). The volume-weighted average price of shares traded in January-September was EUR 0.50 (0.38). The closing price on 30 September 2015 was EUR 0.46 (0.35).

Glaston's market value on 30 September 2015 was EUR 88.7 (67.5) million, excluding treasury shares. The share issue-adjusted equity per share attributable to the owners of the parent was EUR 2.32 (1.36).

At the end of the review period, Glaston had 6,002 registered shareholders (30.9.2014: 5,853). At the end of the review period, 0.5% of Glaston's shares were in foreign ownership.

Events after the review period
In October, Glaston received a flagging notification, according to which Evli Pankki Oyj and companies controlled by Evli Pankki Oyj holds 9,951,960 shares representing 5.14 per cent of the number of shares and voting rights in Glaston. Of this Evli Pankki Oyj holds 365,000 shares representing 0,19 per cent of the number of shares and voting rights while companies controlled by Evli Pankki Oyj, holds 9,586,960 shares representing 4.95 per cent of the number of shares and voting rights in Glaston ((Evli Alexander Management Oyj 788,582 shares and 0.41 per cent and Sijoitusrahasto Evli Suomi Pienyhtiöt 8,798,378 and 4.54 per cent).

Risks and 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 impact the company's order intake. The uncertainty of the market environment might reduce customers' willingness to invest and lead them to postpone large machine orders to a later date.

Glaston has taken into account in its forecasts the instability of the global economy and its impact on the development of the sector. If the recovery of the sector slows, this will have a negative impact on Glaston's future cash flows. Glaston performs annual goodwill impairment testing during the final quarter of the year. In addition, goodwill impairment testing is also performed if there are indications of a reduction in value of asset items. If market uncertainty is prolonged, 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 unchanged

We continue to expect that Glaston's markets will grow moderately in 2015. In sales of new machines, we expect good development to continue in the EMEA area and in North America. Economic uncertainty in the EMEA area as well as its local political tensions might, however, reduce customers' willingness to invest.

The very subdued Asian market showed signs of recovery in July-September and we expect the favourable development to continue in the latter part of the year. We expect demand in the South American market to remain subdued in the fourth quarter. In the services market, we expect growth to continue in all product groups and particularly in upgrades.

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).

Helsinki, 26 October 2015
Glaston Corporation
Board of Directors

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ACCOUNTING PRINCIPLES
Interim Report January-September 2015

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 in consolidated financial statements, except for the adoption of new standards and interpretations effective during 2015. The changes did not have material impact on the Interim Report.

GLASTON CORPORATION

CONDENSED FINANCIAL STATEMENTS AND NOTES 1 JANUARY – 30 SEPTEMBER 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	30.9.2015	30.9.2014	31.12.2014
Assets			
Non-current assets			
Goodwill	30.6	36.8	36.8
Other intangible assets	6.3	7.9	7.8
Property, plant and equipment	8.9	6.8	7.5
Available-for-sale assets	0.4	0.3	0.4
Loan receivables	2.5	1.8	1.8
Deferred tax assets	1.8	3.2	3.0
Total non-current assets	**50.5**	**56.9**	**57.2**
Current assets			
Inventories	17.7	25.4	21.8
Receivables			
Trade and other receivables	27.8	28.7	29.3
Assets for current tax	0.2	1.0	0.3
Total receivables	28.0	29.6	29.6
Cash equivalents	9.5	11.7	20.0
Total current assets	**55.3**	**66.7**	**71.5**
Total assets	**105.7**	**123.6**	**128.7**

EUR million	30.9.2015	30.9.2014	31.12.2014
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	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	-27.8	-33.1	-32.8
Net result attributable to owners of the parent	-12.4	0.6	1.2
Equity attributable to owners of the parent	**38.2**	**49.6**	**50.5**
Non-controlling interest	**0.3**	**0.3**	**0.3**
Total equity	**38.5**	**49.9**	**50.8**
Non-current liabilities			
Non-current interest-bearing liabilities	7.5	8.8	7.5
Non-current interest-free liabilities and provisions	1.4	2.2	2.9
Deferred tax liabilities	0.8	0.8	1.1
Total non-current liabilities	**9.7**	**11.7**	**11.4**
Current liabilities			
Current interest-bearing liabilities	7.2	12.5	7.6
Current provisions	2.8	3.0	3.3
Trade and other payables	46.4	46.3	55.1
Liabilities for current tax	1.0	0.2	0.5
Total current liabilities	**57.5**	**62.0**	**66.4**
Total liabilities	**67.2**	**73.7**	**77.8**
Total equity and liabilities	**105.7**	**123.6**	**128.7**

CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	7-9/2015	restated 7-9/2014	1-9/2015	restated 1-9/2014	restated 1-12/2014
Net sales	**34.3**	**21.9**	**90.8**	**73.1**	**109.7**
Other operating income	0.2	0.1	0.6	0.6	0.9
Expenses	-31.3	-19.0	-81.5	-64.7	-96.1
Depreciation, amortization and impairment	-0.9	-0.9	-2.6	-2.9	-3.7
Operating result	**2.4**	**2.1**	**7.3**	**6.2**	**10.8**
Financial items, net	-3.1	-0.3	-4.1	-0.1	-0.6
Result before income taxes	**-0.7**	**1.8**	**3.2**	**6.1**	**10.2**
Income taxes	-0.5	-0.8	-1.8	-1.0	-2.4
Profit / loss for the period from continuing operations	**-1.2**	**1.0**	**1.5**	**5.0**	**7.7**
Profit / loss after tax for the period from discontinued operations	**-0.1**	**-1.1**	**-13.9**	**-4.5**	**-6.6**
Profit / loss for the period	**-1.3**	**-0.1**	**-12.4**	**0.5**	**1.1**
Attributable to:					
Owners of the parent	-1.3	-0.1	-12.4	0.6	1.2
Non-controlling interest	-0.0	0.0	-0.0	-0.0	-0.0
Total	**-1.3**	**-0.1**	**-12.4**	**0.5**	**1.1**
Earnings per share, EUR, continuing operations	-0.01	0.01	0.01	0.03	0.04
Earnings per share, EUR, discontinued operations	0.00	-0.01	-0.07	0.02	-0.03
Earnings per share, EUR, basic and diluted	**-0.01**	**-0.00**	**-0.06**	**0.00**	**0.01**
Operating result, continuing operations , as % of net sales	7.0	9.7	8.1	8.4	9.8
Profit / loss for the period, continuing operations , as % of net sales	-3.5	4.6	1.6	6.9	7.1
Profit / loss for the period, as % of net sales	-3.9	-0.3	-13.7	0.7	1.0
Non-recurring items included in operating result, continuing operations	-0.1	-	-0.3	-0.6	-0.6
Operating result, non-recurring items excluded, continuing operations	2.5	2.1	7.7	6.8	11.4
Operating result,continuing operations, non-recurring items excluded, as % of net sales	7.4	9.7	8.4	9.3	10.4

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CONSOLIDATED STATEMENT OF COMPEREHENSIVE INCOME

EUR million	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014
Profit / loss for the period	**-1.3**	**-0.1**	**-12.4**	**0.5**	**1.1**
Other comprehensive income that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	2.4	1.1	3.9	0.6	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
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	-	-	-	-	-0.2
Other comprehensive income for the reporting period, net of tax	**2.4**	**1.1**	**3.9**	**0.7**	**0.9**
Total comprehensive income for the reporting period	**1.0**	**1.0**	**-8.5**	**1.2**	**2.1**
Attributable to:					
Owners of the parent	1.0	1.0	-8.5	1.2	2.1
Non-controlling interest	-0.0	0.0	-0.0	0.0	0.0
Total comprehensive income for the reporting period	**1.0**	**1.0**	**-8.5**	**1.2**	**2.1**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1-9/2015	1-9/2014	1-12/2014
Cash flows from operating activities			
Cash flow before change in net working capital	5.7	4.5	9.2
Change in net working capital	-9.4	-3.8	7.4
Net cash flow from operating activities	**-3.6**	**0.7**	**16.6**
Cash flow from investing activities			
Other purchases of non-current assets	-3.6	-2.2	-3.6
Proceeds from sale of business	0.1	1.5	1.5
Proceeds from sale of other non-current assets	0.0	0.1	0.1
Net cash flow from investing activities	**-3.5**	**-0.6**	**-2.0**
Cash flow before financing	**-7.1**	**0.1**	**14.6**
Cash flow from financing activities			
Increase in non-current liabilities	7.5	-	-
Decrease in non-current liabilities	-10.1	-2.9	-4.2
Changes in loan receivables (increase - / decrease +)	0.0	0.0	0.0
Increase in short-term liabilities	22.5	25.0	30.0
Decrease in short-term liabilities	-20.0	-25.9	-35.8
Dividends paid	-	-1.9	-1.9
Return of capital	-3.9	-	-
Net cash flow from financing activities	**-3.9**	**-5.6**	**-11.8**
Effect of exchange rate changes	**0.5**	**0.9**	**0.9**
Net change in cash and cash equivalents	**-10.5**	**-4.7**	**3.7**
Cash and cash equivalents at the beginning of period	20.0	16.4	16.4
Cash and cash equivalents at the end of period	9.5	11.7	20.0
Net change in cash and cash equivalents	**-10.5**	**-4.7**	**3.7**

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Proceeds from divestment of businesses:

EUR million	2015	2014
Purchase consideration received in cash	0.5	1.5
Expenses related to the sale, paid during the year	-0.2	-
Cash and cash equivalents of divested subsidiaries	-0.3	-
Net cash flow	**0.1**	**1.5**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Share premium account	Reserve for inv. unrestr. equity	Treasury shares	Fair value and other reserves	Ret. earn-ings	Exch. diff.	Equity attr. to owners of the parent	Non-contr. interest	Total equity
Equity at 1 January, 2014	**12.7**	**25.3**	**47.3**	**-3.3**	**0.2**	**-32.3**	**0.5**	**50.4**	**0.3**	**50.7**
Total compr. 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 September, 2014	**12.7**	**25.3**	**47.3**	**-3.3**	**0.2**	**-33.7**	**1.1**	**49.6**	**0.3**	**49.9**

EUR million	Share capital	Share premium account	Reserve for inv. unrestr. equity	Treasury shares	Fair value and other reserves	Ret. earn-ings	Exch. diff.	Equity attr. to owners of the parent	Non-contr. interest	Total equity
Equity at 1 January, 2015	**12.7**	**25.3**	**47.3**	**-3.3**	**0.2**	**-33.3**	**1.6**	**50.5**	**0.3**	**50.8**
Total compr. income for the period	-	-	-	-	0.0	-12.4	3.9	**-8.5**	-0.0	**-8.5**
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	-
Return of equity	-	-	-3.9	-	-	-	-	**-3.9**	-	**-3.9**
Equity at 30 September, 2015	**12.7**	**25.3**	**43.5**	**-3.3**	**0.2**	**-45.7**	**5.5**	**38.2**	**0.3**	**38.5**

KEY RATIOS

	30.9.2015	restated 30.9.2014	restated 31.12.2014
EBITDA, as % of net sales (1	10.9	12.4	13.2
Operating result (EBIT), as % of net sales	8.1	8.4	9.8
Profit / loss for the period, as % of net sales	-13.7	0.7	1.0
Gross capital expenditure, continuing and discontinued operations, EUR million	3.7	2.1	3.6
Gross capital expenditure, as % of net sales of continuing and discontinued operations	4.1	2.9	2.9
Equity ratio, %	45.3	47.2	47.7
Gearing, %	38.2	42.5	29.6
Net gearing, %	13.4	19.1	-9.8
Net interest-bearing debt, EUR million	5.2	9.5	-5.0
Capital employed, end of period, EUR million	53.2	71.2	65.9
Return on equity, %, annualized	-37.1	1.4	2.2
Return on capital employed, %, annualized	-12.4	4.8	7.9
Return on capital employed, continuing operations %, annualized	18.6	12.9	17.2
Number of personnel, average	506	494	494
Number of personnel, end of period	470	495	495

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

PER SHARE DATA

	30.9.2015	restated 30.9.2014	restated 31.12.2014
Number of registered shares, end of period, 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
EPS, continuing operations , basic and diluted, adjusted with share issue, EUR	0.01	0.03	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	0.20	0.26	0.26
Dividend per share, EUR	-	-	0.02
Dividend payout ratio, %	-	-	335.4
Dividend yield	-	-	5.3
Price per adjusted earnings per share (P/E) ratio	-7.2	122.1	63.7
Price per adjusted equity attributable to owners of the parent per share	2.32	1.36	1.45
Market capitalization of registered shares, EUR million	88.7	67.5	73.3
Share turnover, % (number of shares traded, % of the average registered number of shares)	25.0	14.6	23.9
Number of shares traded, (1,000)	48 134	28 208	46 061
Closing price of the share, EUR	0.46	0.35	0.38
Highest quoted price, EUR	0.60	0.45	0.45
Lowest quoted price, EUR	0.37	0.33	0.32
Volume-weighted average quoted price, EUR	0.50	0.38	0.38

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SEGMENT INFORMATION

Changes in segment reporting

In June 2015, Glaston Corporation completed the sale of the pre-processing machines business and reorganised its business and reporting structure. The remaining business consists of the manufacture and sale of heat treatment glass machines as well as the service operations for these machines. There is a high level of integration between safety glass machines and maintenance.

Product development as well as sales and distribution are shared functions, serving both business areas. Their market development is the same, as is their market development, which is linked to the general development of the global market. For these reasons, Glaston has re-evaluated its reporting segments and, as of 1 July 2015, has combined the operating segments into a single reporting segment.

Glaston's highest operative decision maker (CODM, Chief Operating Decision Maker) is Glaston Corporation's President & CEO, supported by the Executive Management Group. The President & CEO assesses the Group's financial position and its overall development.

Continuing Operations' non-recurring item of EUR -0.3 million in 2015 consists of a restructuring costs provision.

CONTINUING OPEARATIONS

NET SALES

EUR million	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014
Machines	21.0	12.9	57.1	45.6	69.6
Services	13.9	9.4	34.8	28.7	41.9
Other and intersegment sales	-0.5	-0.3	-1.1	-1.1	-1.7
Net sales Glaston Group total	**34.3**	**21.9**	**90.8**	**73.1**	**109.7**

Order intake

EUR million	1-9/2015	1-9/2014	1-12/2014
Machines	46.6	48.1	87.7
Services	36.6	33.5	45.9
Total Glaston Group	**83.2**	**81.6**	**133.6**

Net sales by geographical areas (continuing operations)

EUR million	1-9/2015	1-9/2014	1-12/2014
EMEA	38.0	30.4	47.4
Asia	11.4	16.9	22.0
America	41.4	25.8	40.4
Total	**90.8**	**73.1**	**109.7**

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

Net sales

EUR million	7-9/2015	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
Machines	21.0	19.4	16.7	24.1	12.9	21.1	11.6
Services	13.9	11.0	9.9	13.2	9.4	10.3	9.0
Other and intersegment sales	-0.5	-0.2	-0.4	-0.6	-0.3	-0.3	-0.5
Net sales Glaston Group total	**34.3**	**30.1**	**26.3**	**36.6**	**21.9**	**31.1**	**20.1**
EBIT excluding non-recurring items	**2.5**	**2.7**	**2.5**	**4.6**	**2.1**	**3.6**	**1.1**
EBIT-%, excl. non-recurring items	7.4	8.9	9.3	12.7	9.7	11.6	5.3
Non-recurring items	-0.1	-0.2	-	-	-	-0.6	-
EBIT	**2.4**	**2.5**	**2.5**	**4.6**	**2.1**	**3.0**	**1.1**
EBIT-%	7.0	8.2	9.3	12.7	9.7	9.5	5.3

Order book

	30.9.2015	30.6.2015	31.3.2015	31.12.2014	30.9.2014	30.6.2014	31.3.2014
Machines	42.0	50.1	48.7	51.4	35.7	29.7	35.1
Services	5.8	5.9	4.1	4.6	6.0	3.0	4.0
Total Glaston Group	**47.8**	**56.0**	**52.8**	**56.0**	**41.7**	**32.7**	**39.0**

Order intake

EUR million	7-9/2015	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
Machines	15.1	19.0	12.5	39.5	19.3	16.0	12.8
Services	13.1	13.5	10.0	12.5	12.8	9.7	10.9
Total Glaston Group	**28.2**	**32.5**	**22.5**	**52.0**	**32.1**	**25.8**	**23.7**

CONTINUING OPERATIONS, COMPARABLE EBIT

Comparable EBIT

EUR million	7-9/2015	7-9/2014	1-9/2015	1-9/2014	1-12/2014
EBIT excluding non-recurring items	**2.5**	**2.1**	**7.7**	**6.8**	**11.4**
Adjusment	-	-1.0	-2.1	-4.2	-5.9
Comparable EBIT excluding non-recurring items	**2.5**	**1.1**	**5.5**	**2.6**	**5.5**
Comparable EBIT-%, excl. non-recurring items	7.4 %	5.1 %	6.1 %	3.5 %	5.0 %
Non-recurring items	-0.1	-	-0.3	-0.6	-0.6
Comparabale EBIT	**2.4**	**1.1**	**5.2**	**1.9**	**4.9**
Comparable EBIT-%	7.0 %	5.1 %	5.7 %	2.6 %	4.5 %

Comparable EBIT

EUR million	7-9/2015	4-6/2015	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
EBIT excluding non-recurring items	**2.5**	**2.7**	**2.5**	**4.6**	**2.1**	**3.6**	**1.1**
Adjustment (*	-	-0.9	-1.2	-1.7	-1.0	-1.8	-1.4
Comparable EBIT excluding non-recurring items	**2.5**	**1.7**	**1.2**	**3.0**	**1.1**	**1.8**	**-0.4**
Comparable EBIT-%, excl. non-recurring items	7.4 %	5.8 %	4.7 %	8.1 %	5.1 %	5.9 %	-1.9 %
Non-recurring items	-0.1	-0.2	-	-	-	-0.6	-
Comparabale EBIT	**2.4**	**1.5**	**1.2**	**3.0**	**1.1**	**1.2**	**-0.4**
Comparable EBIT-%	7.0 %	5.1 %	4.7 %	8.1 %	5.1 %	3.8 %	-1.9 %

(* 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.
The result of Glaston's 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	**1-9/2015**	**1-9/2014**	**1-12/2014**
EUR million			
Revenue	6.5	10.6	14.8
Expenses	-10.4	-15.0	-21.3
Gross profit	**-3.9**	**-4.4**	**-6.5**
Finance costs, net	0.0	0.0	0.1
Profit / loss before tax from discontinued operations	**-3.9**	**-4.3**	**-6.5**
Current income tax	-0.2	-0.1	-0.0
Profit / loss after tax from discontinued operations	**-4.0**	**-4.4**	**-6.5**
Loss from disposal of discontinued operations	-9.8	-	-
Profit / loss from discontinued operations	**-13.8**	**-4.4**	**-6.5**

Net cash flows of discontinued operations

EUR million	**1-9/2015**	**1-9/2014**	**1-12/2014**
Operating	-4.6	-4.9	-3.7
Investing	-0.5	-0.1	-0.2
Financing	-	-	-
Net cash flow	**-5.1**	**-5.1**	**-3.9**

PROPERTY, PLANT AND EQUIPMENT

EUR million **Changes in property, plant and equipment**	**1-9/2015**	**1-9/2014**	**1-12/2014**
Carrying amount at beginning of the period	7.5	6.9	6.9
Additions	2.3	0.6	1.4
Disposals	-0.2	0.0	-0.0
Depreciation and amortization	-1.0	-0.9	-1.2
Impairment losses and reversals of impairment losses	-	-	-
Reclassification and other changes	0.1	0.0	-0.0
Transfer to / from assets held for sale	-	-	-
Exchange differences	0.2	0.2	0.3
Carrying amount at end of the period	8.9	6.8	7.5

At the end of September 2015 Glaston has EUR 0.8 million contractual commitments for the acquisition of property, plant and equipment (30.9.2014 0.0; 31.12.2014 1.5).

INTANGIBLE ASSETS

EUR million **Changes in intangible assets**	**1-9/2015**	**1-9/2014**	**1-12/2014**
Carrying amount at beginning of the period	44.6	45.6	45.6
Additions	1.4	1.5	2.2
Disposals	-7.1	-0.0	-0.1
Depreciation and amortization	-1.9	-2.4	-3.1
Impairment losses and reversals of impairment losses	-0.0	-	-
Reclassification and other changes	-0.0	0.0	0.0
Transfer to / from assets held for sale	-	-	-
Exchange differences	-0.1	0.0	0.1
Carrying amount at end of the period	36.9	44.7	44.6

CONTINGENT LIABILITIES

EUR million	**30.9.2015**	**30.9.2014**	**31.12.2014**
Mortgages and pledges			
On own behalf	166,9	303,5	303,7
Guarantees			
On own behalf	5,1	8,0	11,0
On behalf of others	0,6	0,0	0,0
Lease obligations	16,6	18,7	24,2
Repurchase obligations	0,5	-	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	30.9.2015		30.9.2014		31.12.2014	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Commodity derivatives						
Electricity forwards	0.4	-0.1	0.5	-0.0	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.

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 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

	30.9.2015	30.9.2014	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	0.3	0.4
Derivatives			
Level 2	-0.1	-0.0	-0.1

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.

SHAREHOLDER INFORMATION

20 largerst shareholders 30 September, 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	21,161,250	10.92 %
4	Varma Mutual Pension Insurance Company	12,786,643	6.60 %
5	Evli Finnish Small Cap Fund	8,702,378	4.49 %
6	Yleisradion Eläkesäätiö S.r.	7,158,665	3.70 %
7	Nordea Pro Finland Fund	6,987,579	3.61 %
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	2,550,000	1.32 %
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	135,614,921	70.01 %
	Nominee registered shareholders	1,676,398	0.87 %
	Other shares	56,417,017	29.12 %
	Total	193,708,336	

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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

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