Glaston interim report 1 January – 31 March 2017: Slow quarter as expected, outlook unchanged

In January-March 2017

- Orders received totalled EUR 21.6 (25.0) million.
- Order book at end of March grew by 31% to EUR 45.1 (34.5) million.
- Net sales declined to EUR 22.8 (29.4) million.
- Comparable EBITDA was EUR 0.8 (1.4) million, i.e. 3.5 (4.7)% of net sales.
- The comparable operating result was EUR 0.0 (0.7) million, i.e. 0.1 (2.4)% of net sales.
- Return on capital employed (ROCE) was 0.5 (6.0)%
- Earnings per share were EUR -0.00 (0.00)
- Net interest-bearing debt amounted to EUR 3.0 (10.9) million.

Outlook unchanged

Glaston's outlook remains unchanged. We expect the full-year comparable operating result to improve from 2016. (In 2016 the comparable operating result was EUR 2.8 million.)

President & CEO Arto Metsänen:

"In the first quarter, the glass processing market was quiet and the number of new orders was relatively low. The large number of orders in the final quarter of the previous year also affected the order intake in the early part of the year. In addition, as customers' decision-making times lengthened, a number of service and machine deals were postponed in the first quarter until the current quarter.

Due to the low number of deliveries, January-March net sales were low and totalled EUR 22.8 million. The comparable operating result was EUR 0.0 (0.7) million. The order book was at a good level, EUR 45.1 million, up 31% from the corresponding period of the previous year. This creates a good foundation for rest of the year.

The anticipated quiet first quarter does not change our assessment of the year as a whole. Conditions for operational development and profitable growth are good. Our short-term focus is on new orders and ensuring a first-class customer experience.

As a pioneer in our field, we want to be involved in developing the glass technologies of the future. In emerging glass technologies, we are actively seeking new business opportunities, because we expect this market to grow strongly in the next few years. To support our growth objective, we established the Emerging Technologies unit in January. This brings clarity to our operating model and distinguishes us from our competitors. Our investment in a Californian nanotechnology company is part of the Emerging Technologies unit's activities. In the nanotechnology project, the development work of a pilot line progressed. In addition to this project, we are actively engaged in discussions with a number of companies on the development of new glass technologies and their practical application."

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Operating environment

As expected, the glass processing market was quiet in the first quarter. Despite good market activity, in the EMEA area customers' purchasing decisions were delayed. The market in China was still on a downward trend, but in a few other Asian countries market development was positive. The North American market was relatively active. In South America, the market remained subdued.

<u>Machines</u>

In the first quarter, the EMEA area was the strongest area for Glaston's Machines business. After a quieter period, demand picked up in the Middle East market. Glaston's FC™ product series particularly attracted the interest of glass processors in the area. The slowdown in investment decisions as well as the general political situation in Europe impacted customers' decision-making in Eastern Europe and in certain Central and Southern European countries.

The North American market remained active and demand for machines was relatively good. In addition to the FC™ product series, there was also interest in laminating lines, in which Glaston has a new, very competitive product series. The laminated glass market in particular is expected to grow in North America. The competitive situation in the market intensified further, resulting from the activity of Chinese competitors in the market and customers' extended decision-making times. In South America, the market overall was subdued.

In China, the downturn in construction continued, and demand for glass processing machines remained weak. In Australia and New Zealand, the market environment continued to be good. In the Philippines, Indonesia and Thailand, the market developed positively. Demand for low-emissivity (Low-E) glass, in particular, began to grow.

A pioneer in its field, Glaston established in January 2017 the Glaston Emerging Technologies unit, which offers consulting and planning services for smart glass and energy glass window production as well as solar energy applications. The unit also sells and delivers the production lines in question. Glaston's investment in a Californian nanotechnology company at the end of 2015 is part of the Emerging Technologies unit's activities.

The nanotechnology project focused on testing a prototype line and larger glass sizes and invested in product material development. The planning of a pilot line also advanced according to plan. In addition to the nanotechnology project, Glaston held discussions with various companies on the development of new glass technologies and their practical application. The projects are particularly aimed at identifying equipment delivery opportunities with new partners.

<u>Services</u>

Following a strong fourth quarter of 2016, the Services business market levelled off in January-March. In the EMEA area, activity continued at a satisfactory level. The North American market continued to be challenging. The pick-up in the South American market seen in the latter part of the year continued in the first quarter. The service market in Asia remained subdued.

The market for modernisation products continued to be stable. There was demand, in particular, for lamination process products, such as the ProL zone. In the review period, Glaston agreed sales of upgrade products for the United States, the Baltic countries and South America. Sales of tools were at a good level. Sales of the iControL control system upgrade, launched at the end of last year, began for machines manufactured in North and South America.

Orders received and order book

Glaston's January-March order intake was modest and totalled EUR 21.6 (25.0) million. The order intake of the Machines business was EUR 12.0 (15.3) million. The most significant orders were received from the Middle East, Mexico and Chile. The order intake of the Services business was at the previous year's level, EUR 9.6 (9.7) million. The largest orders were received from the USA and South America.

The order book at the end of March was up 31% to EUR 45.1 (34.5) million and remained at nearly the same high level as at the end of 2016. Of the order book, the Machines business accounted for EUR 40.4 (31.5) million and the Services business for EUR 4.8 (3.0) million.

Order book, EUR million	31.3.2017	31.3.2016	31.12.2016
Machines	40.4	31.5	39.9
Services	4.8	3.0	5.7
Total	**45.1**	**34.5**	**45.6**

Net sales

Due to a relatively low number of deliveries, Glaston's January-March net sales were 22% down from the corresponding period of the previous year and totalled EUR 22.8 (29.4) million. Moreover, the comparison period, the first quarter of 2016, was also exceptionally strong. The low number of deliveries was reflected in the net sales of the Machines business, which were EUR 12.5 (19.0) million**.** Net sales of the Services business were at the level of the corresponding period of the previous year: EUR 10.9 (10.6) million.

Net sales in the Asian market area in January-March were EUR 3.2 (6.8) million, down 53% from the first quarter of the previous year. The net sales of the Americas area fell by 25% compared with the corresponding period of the previous year and were EUR 9.1 (12.2) million. In the EMEA area, net sales were at the level of the corresponding period of the previous year: EUR 10.6 (10.5) million.

Net sales, EUR million	1–3/2017	1–3/2016	1–12/2016
Machines	12.5	19.0	67.4
Services	10.9	10.6	41.8
Other and internal sales	-0.6	-0.2	-2.0
Total	**22.8**	**29.4**	**107.1**

Operating result and profitability

Glaston's operating result (EBIT) in January-March was EUR 0.0 (0.7) million, i.e. 0.1 (2.4)% of net sales. In the reporting period, there were no items affecting comparability. The operating result was lowered by the decline in net sales and improved by a higher margin on machine sales and services than in the previous year.

Comparable operating result, EUR million	1–3/2017	1–3/2016	2016
EBIT	0.0	0.7	2.3
Items affecting comparability	-	-	-0.5
Comparable operating result	**0.0**	**0.7**	**2.8**

The first-quarter operating result was EUR 0.0 (0.7) million. The result before taxes was a loss of EUR 0.3 (0.5 profit) million. The result for January-March was a loss of EUR 0.4 (0.2 profit) million.

January-March earnings per share were EUR -0.00 (0.00) million

Financial position, cash flow and financing

Glaston's cash flow from operating activities, before the change in working capital, was EUR 0.2 (1.7) million in January-March. Working capital returned from an exceptionally low level at the turn of the year and grew by EUR 3.9 (-3.4) million. Cash flow from investments was EUR -0.4 (-1.5) million and cash flow from financing activities was EUR -2.2 (0.7) million.

At the end of the reporting period, the Group's cash and cash equivalents totalled EUR 11.4 (3.3) million. During the review period, EUR 2.3 million of short-term debt was repaid. Net interest-bearing debt totalled EUR 3.0 (10.9) million and net gearing was 8.5 (29.6)%.

At the end of March, the consolidated asset total was EUR 97.7 (92.9) million. The equity attributable to the owners of the parent was EUR 35.2 (36.4) million. Equity per share was EUR 0.18 (0.19). Return on equity in the reporting period was -4.4 (2.5)%. The return on capital employed was 0.5 (6.0)%.

Capital expenditure, depreciation and amortisation

Glaston's gross capital expenditure totalled EUR 0.4 (1.5) million. Investments were mainly related to product development.

Depreciation and amortisation on property, plant and equipment, and on intangible assets totalled EUR 0.8 (0.7) million.

Organisation and employees

Juha Liettyä, Senior Vice President, Americas and member of the Executive Management Group, was appointed Senior Vice President, Glaston Emerging Technologies as of 2 January 2017. Liettyä will continue to be a member of the Executive Management Group, reporting to President & CEO Arto Metsänen. Juha Liettyä is stationed in Florida, USA.

At the end of March 2017, Glaston had 412 (453) employees. The average number of employees was 414 (452). Of the Group's employees, 40% worked in Finland and 15% elsewhere in the EMEA area, 29% in Asia and 16% in the Americas.

Sale of USA and Canada pre-processing business

In February, Glaston started negotiations on the sale of its pre-processing business in the USA and Canada to the Italian company Bavelloni SpA. According to the current assessment, the negotiations will be completed during the second quarter. In the same context, negotiations are also being held on Glaston continuing as a reseller in Mexico, Brazil and Singapore. Net sales of the USA and Canada pre-processing business were approximately EUR 4.9 million in 2016.

Shares and share prices

Glaston Corporation's share capital on 31 March 2017 was EUR 12.7 million and the number of issued shares totalled 193,708,336. The company has one series of share. At the end of March, the company held 788,582 of the company's own shares (treasury shares), corresponding to 0.41% of the total number of issued and registered shares and votes. The counter book value of the 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-March 2017, approximately 4.5 (8.4) million of Glaston's shares were traded on NASDAQ Helsinki Ltd, i.e. 2.3 (4.4)% of the average number of registered shares. In the review period, the lowest price paid for a share was EUR 0.39 (0.39) and the highest price EUR 0.45 (0.51). The volume-weighted average price of shares traded in January-March was EUR 0.42 (0.42). The closing price on 31 March 2017 was EUR 0.40 (0.39).

On 31 March 2017, Glaston's market value, excluding treasury shares, was EUR 77.2 (75.2) million. The equity per share attributable to the owners of the parent was EUR 0.18 (0.19).

At the end of the review period, Glaston had 5,644 registered shareholders (31 March 2016: 5,893). At the end of the review period, 2.1% of Glaston's shares were in foreign ownership.

Events after the closing date

The Annual General Meeting of Glaston Corporation was held in Helsinki on 4 April 2017. The Annual General Meeting adopted the financial statements and consolidated financial statements for the period 1 January – 31 December 2016. In accordance with the proposal of the Board of Directors, the General Meeting resolved that no dividend be distributed for 2016.

The Annual General Meeting discharged the Members of the Board of Directors and the President & CEO from liability for the financial year 1 January – 31 December 2016.

The number of the Members of the Board of Directors was resolved to be seven. The Annual General Meeting decided to re-elect the present Members of the Board Andreas Tallberg, Teuvo Salminen, Claus von Bonsdorff, Anu Hämäläinen, Sarlotta Narjus and Pekka Vauramo for a term ending at the closing of the next Annual General Meeting, In addition, it was resolved that Kai Mäenpää M.Sc.(Eng) be elected as a new Member of the Board of Directors for the same term of office.

After the Annual General Meeting, the Board of Directors held an organising meeting, at which it elected Andreas Tallberg as Chairman of the Board and Teuvo Salminen as Deputy Chairman of the Board.

The Annual General Meeting resolved that the annual remuneration payable to Members of the Board of Directors would remain as follows: the Chairman of the Board will be paid EUR 40,000, the Deputy Chairman EUR 30,000 and the other Members of the Board EUR 20,000.

The Annual General Meeting elected Authorised Public Accounting firm Ernst & Young Oy as the company's auditor, with Authorised Public Accountant Kristina Sandin as the main responsible auditor.

The Annual General Meeting authorised the Board of Directors to decide on the issuance of shares as well as the issuance of options and other rights granting entitlement to shares. The authorisation covers a maximum of 20,000,000 shares.

The authorisation does not exclude the Board of Directors' right to decide on a directed issue. It was proposed that the authorisation be used for executing or financing arrangements important from the company's point of view, such as business arrangements or investments, or for other such purposes determined by the Board of Directors in which a weighty financial reason would exist for issuing shares, options or other rights granting entitlement to shares and possibly directing a share issue.

The Board of Directors is authorised to resolve on all other terms and conditions of the issuance of shares, options and other rights entitling to shares as referred to in Chapter 10 of the Companies Act, including the payment period, grounds for the determination of the subscription price and the subscription price or allocation of shares, options or other rights without payment or that the subscription price may be paid besides in cash also with other assets either partially or entirely. The authorisation is valid until 30 June 2018 and it invalidates earlier authorisations.

Uncertainties and risks in the near future

Glaston operates in a global market in which both political and economic instability arise. The company's uncertainties and risks in the near future are to a large extent linked to the development of global investment demand and, in some geographical areas, to customers' access to financing. The timing of investment decisions is also affected by geopolitical uncertainty, which has increased compared to previous years.

Glaston has taken into account in its forecasts for the near future the uncertain development outlook for the global economy and its impact on the development of the sector. If the demand situation of the sector deteriorates substantially, this will affect Glaston's net sales and earnings with a 3–6 month delay.

The Group's net sales are affected most by the level and timing of order intake as well as the geographical and product mix of orders. In terms of earnings, there is also uncertainty in meeting the planned delivery times and costs of customer projects.

Outlook unchanged

In the first quarter of 2017, the glass processing market was quiet, as anticipated. The prolonged uncertainty in the global economy and increasing political tensions in some regions will impact customers' willingness to invest, and decision-making times have lengthened. There are no visible signs of a permanent change in the market, however. We expect that positive market development will still continue.

A higher order book than the previous year, positive market development and the cost-saving measures undertaken create good conditions for the development of operations in 2017. We expect the full-year comparable operating result to improve from 2016. (In 2016 the comparable operating result was EUR 2.8 million.)

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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 Helsinki Ltd. Further information is available at www.glaston.net

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GLASTON CORPORATION

CONDENSED FINANCIAL STATEMENTS AND NOTES 1 JANUARY – 31 MARCH 2017

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.

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.

CONDENSED STATEMENT OF FINANCIAL POSITION

EUR million	31.3.2017	31.3.2016	31.12.2016
Assets			
Non-current assets			
Goodwill	30.6	30.6	30.6
Other intangible assets	6.8	6.3	6.9
Property, plant and equipment	9.0	9.4	9.2
Available-for-sale assets	3.2	3.2	3.2
Loan receivables	0.8	1.4	0.9
Deferred tax assets	2.1	2.3	2.2
Total non-current assets	**52.4**	**53.2**	**52.9**
Current assets			
Inventories	14.5	14.2	11.9
Receivables			
Trade and other receivables	19.1	22.1	18.7
Assets for current tax	0.2	0.0	0.2
Total receivables	19.3	22.1	18.9
Cash equivalents	11.4	3.3	17.4
Total current assets	**45.2**	**39.6**	**48.1**
Total assets	**97.7**	**92.9**	**101.1**

EUR million	31.3.2017	31.3.2016	31.12.2016
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	41.6	43.5	41.6
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	-40.9	-42.2	-41.9
Net result attributable to owners of the parent	-0.4	0.2	1.0
Equity attributable to owners of the parent	**35.2**	**36.4**	**35.6**
Non-controlling interest	**0.3**	**0.3**	**0.3**
Total equity	**35.5**	**36.7**	**35.9**
Non-current liabilities			
Non-current interest-bearing liabilities	6.6	6.7	6.9
Non-current interest-free liabilities and provisions	1.8	1.7	1.9
Deferred tax liabilities	0.4	0.4	0.4
Total non-current liabilities	**8.7**	**8.8**	**9.1**

Current liabilities			
Current interest-bearing liabilities	7.9	7.5	9.9
Current provisions	2.2	2.5	2.7
Trade and other payables	43.3	37.4	43.5
Liabilities for current tax	0.1	0.0	0.1
Total current liabilities	**53.5**	**47.4**	**56.1**
Total liabilities	**62.2**	**56.2**	**65.2**
Total equity and liabilities	**97.7**	**92.9**	**101.1**

CONDENSED STATEMENT OF PROFIT OR LOSS

EUR million	1-3/2017	1-3/2016	1-12/2016
Net sales	**22.8**	**29.4**	**107.1**
Other operating income	0.3	0.3	1.1
Expenses	-22.3	-28.3	-103.3
Depreciation, amortization and impairment	-0.8	-0.7	-2.7
Operating result	**0.0**	**0.7**	**2.3**
Financial items, net	-0.3	-0.2	-0.7
Result before income taxes	**-0.3**	**0.5**	**1.6**
Income taxes	-0.1	-0.2	-0.6
Profit / loss for the period	**-0.4**	**0.2**	**1.0**
Attributable to:			
Owners of the parent	-0.4	0.2	1.0
Non-controlling interest	-0.0	-0.0	-0.0
Total	**-0.4**	**0.2**	**1.0**
Earnings per share, EUR	-0.00	0.00	0.01
Earnings per share, EUR, basic and diluted	**-0.00**	**0.00**	**0.01**
Operating result, as % of net sales	0.1	2.4	2.1
Profit / loss for the period, as % of net sales	-1.7	0.8	0.9
Items affecting comparability	-	-	-0.5
Comparable operating result	0.0	0.7	2.8
Comparable operating result, as % of net sales	0.1	2.4	2.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	1-3/2017	1-3/2016	1-12/2016
Profit / loss for the period	**-0.4**	**0.2**	**1.0**
Other comprehensive income that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	-0.1	-0.3	0.0
Fair value changes of available-for-sale assets	0.0	-0.0	-0.0
Cash flow hedges	0.0	-	-
Income tax on other comprehensive income	-0.0	0.0	0.0

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Other comprehensive income that will not be reclassified subsequently to profit or loss:			
Exchange differences on actuarial gains and losses arising from defined benefit plans	0.0	0.0	-0.0
Actuarial gains and losses arising from defined benefit plans	-	-	-0.0
Other comprehensive income for the reporting period, net of tax	**-0.0**	**-0.3**	**0.0**
Total comprehensive income for the reporting period	**-0.4**	**-0.1**	**1.0**
Attributable to:			
Owners of the parent	-0.4	-0.1	1.0
Non-controlling interest	-0.0	-0.0	-0.0
Total comprehensive income for the reporting period	**-0.4**	**-0.1**	**1.0**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1-3/2017	1-3/2016	1-12/2016
Cash flows from operating activities			
Cash flow before change in net working capital	0.2	1.7	5.3
Change in net working capital	-3.9	-3.4	8.2
Net cash flow from operating activities	**-3.8**	**-1.8**	**13.4**
Cash flow from investing activities			
Other purchases of non-current assets	-0.4	-1.5	-3.9
Proceeds from sale of business	-	-	-
Proceeds from sale of other non-current assets	0.0	-0.0	0.1
Net cash flow from investing activities	**-0.4**	**-1.5**	**-3.8**
Cash flow before financing	**-4.1**	**-3.2**	**9.6**
Cash flow from financing activities			
Increase in non-current liabilities	-	0.7	3.2
Decrease in non-current liabilities	-	-0.0	-0.0
Changes in loan receivables (increase - / decrease +)	0.1	-	0.3
Increase in short-term liabilities	-	-	2.3
Decrease in short-term liabilities	-2.3	-	-2.5
Return of capital	-	-	-1.9
Net cash flow from financing activities	**-2.2**	**0.7**	**1.4**
Effect of exchange rate changes	**0.4**	**-0.2**	**0.3**
Net change in cash and cash equivalents	**-5.9**	**-2.7**	**11.3**
Cash and cash equivalents at the beginning of period	17.4	6.1	6.1
Cash and cash equivalents at the end of period	11.4	3.3	17.4
Net change in cash and cash equivalents	**-5.9**	**-2.7**	**11.3**

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, 2016	**12.7**	**25.3**	**43.5**	**-3.3**	**0.2**	**-47.1**	**5.2**	**36.5**	**0.3**	**36.8**
Total compr. income for the period	-	-	-	-	-0.0	0.2	-0.3	**-0.1**	-0.0	**-0.1**
Equity at 31 March, 2016	**12.7**	**25.3**	**43.5**	**-3.3**	**0.2**	**-46.8**	**4.9**	**36.4**	**0.3**	**36.7**

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, 2017	**12.7**	**25.3**	**41.6**	**-3.3**	**0.2**	**-46.1**	**5.2**	**35.6**	**0.3**	**35.9**
Total compr. income for the period	-	-	-	-	0.0	-0.4	0.1	**-0.4**	-0.0	**-0.4**
Equity at 31 March, 2017	**12.7**	**25.3**	**41.6**	**-3.3**	**0.3**	**-46.5**	**5.2**	**35.2**	**0.3**	**35.5**

KEY RATIOS

	31.3.2017	31.3.2016	31.12.2016
EBITDA, as % of net sales	3.5	4.7	4.6
Operating result (EBIT), as % of net sales	0.1	2.4	2.1
Profit / loss for the period, as % of net sales	-1.7	0.8	0.9
Gross capital expenditure, EUR million	0.4	1.5	3.9
Gross capital expenditure, as % of net sales	1.9	5.0	3.6
Equity ratio, %	44.6	45.3	43.2
Gearing, %	40.8	38.7	46.7
Net gearing, %	8.5	29.6	-1.7
Net interest-bearing debt, EUR million	3.0	10.9	-0.6
Capital employed, end of period, EUR million	49.9	50.9	52.6
Return on equity, %, annualized	-4.4	2.5	2.8
Return on capital employed, %, annualized	0.5	6.0	4.6
Number of personnel, average	414	452	437
Number of personnel, end of period	412	453	415

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PER SHARE DATA

	31.3.2017	31.3.2016	31.12.2016
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, total, basic and diluted, adjusted with share issue, EUR	-0.00	0.00	0.01
Adjusted equity attributable to owners of the parent per share, EUR	0.18	0.19	0.18
Price per adjusted earnings per share (P/E) ratio	-200.5	319.7	75.3
Price per adjusted equity attributable to owners of the parent per share	2.19	2.07	2.17
Market capitalization of registered shares, EUR million	77.2	75.2	77.2
Share turnover, % (number of shares traded, % of the average registered number of shares)	2.3	4.4	16.5
Number of shares traded, (1,000)	4 524	8 413	31 898
Closing price of the share, EUR	0.40	0.39	0.40
Highest quoted price, EUR	0.45	0.51	0.51
Lowest quoted price, EUR	0.39	0.39	0.33
Volume-weighted average quoted price, EUR	0.42	0.42	0.38

SEGMENT INFORMATION

The reportable segment consists 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. 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 customers are the same, as is their market development, which is linked to the general development of the global market. Also the methods to distribute products or to provide services are similar. In the long term, also sales development and gross profit of the operating segments are similar.

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.

NET SALES

EUR million	**1-3/2017**	**1-3/2016**	**1-12/2016**
Machines	12.5	19.0	67.4
Services	10.9	10.6	41.8
Other and intersegment sales	-0.6	-0.2	-2.0
Net sales Glaston Group total	**22.8**	**29.4**	**107.1**
Comparable EBIT	**0.0**	**0.7**	**2.8**
Comparable EBIT-%	0.1	2.4	2.6
Items affecting comparability	-	-	-0.5
EBIT	**0.0**	**0.7**	**2.3**
EBIT-%	0.1	2.4	2.1

Order intake

EUR million	1-3/2017	1-3/2016	1-12/2016
Machines	12.0	15.3	72.3
Services	9.6	9.7	40.6
Total Glaston Group	**21.6**	**25.0**	**112.9**

Net sales by geographical areas

EUR million	1-3/2017	1-3/2016	1-12/2016
EMEA	10.6	10.5	42.4
Asia	3.2	6.8	21.0
America	9.1	12.2	43.7
Total	**22.8**	**29.4**	**107.1**

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

Net sales

EUR million	1-3/2017	10-12/2016	7-9/2016	4-6/2016	1-3/2016
Machines	12.5	24.1	11.3	13.0	19.0
Services	10.9	11.6	9.6	9.9	10.6
Other and intersegment sales	-0.6	-0.5	-0.5	-0.8	-0.2
Net sales Glaston Group total	**22.8**	**35.1**	**20.5**	**22.1**	**29.4**
Comparable EBIT	**0.0**	**2.7**	**-0.3**	**-0.4**	**0.7**
Comparable EBIT-%	0.1	7.8	-1.3	-1.9	2.4
Items affecting comparability	-	-0.3	0.0	-0.2	-
EBIT	**0.0**	**2.4**	**-0.3**	**-0.6**	**0.7**
EBIT-%	0.1	6.8	-1.3	-2.7	2.4

Order book

EUR million	31.3.2017	31.12.2016	30.9.2016	30.6.2016	31.3.2016
Machines	40.4	39.9	41.4	36.4	31.5
Services	4.8	5.7	4.6	4.5	3.0
Total Glaston Group	**45.1**	**45.6**	**46.0**	**40.9**	**34.5**

Order intake

EUR million	1-3/2017	10-12/2016	7-9/2016	4-6/2016	1-3/2016
Machines	12.0	22.4	16.6	17.9	15.3
Services	9.6	11.2	9.0	10.7	9.7
Total Glaston Group	**21.6**	**33.6**	**25.6**	**28.6**	**25.0**

COMPARABLE OPERATING RESULT

Items affecting comparability

EUR million	1-3/2017	1-3/2016	1-12/2016
Re-stucturing	-	-	-0.5
Items affecting comparability	**-**	**-**	**-0.5**

Comparable EBITDA	**1-3/2017**	**1-3/2016**	**1-12/2016**
Operating result	0.0	0.7	2.3
Depreciation and amortization	0.8	0.7	2.7
Items affecting comparability	-	-	0.5
Comparable EBITDA	**0.8**	**1.4**	**5.4**
% of net sales	3.5	4.7	5.1

Comparable EBIT	**1-3/2017**	**1-3/2016**	**1-12/2016**
Operating result	0.0	0.7	2.3
Items affecting comparability	-	-	0.5
Comparable EBIT	**0.0**	**0.7**	**2.8**
% of net sales	0.1	2.4	2.6

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

EUR million

Changes in property, plant and equipment	**1-3/2017**	**1-3/2016**	**1-12/2016**
Carrying amount at beginning of the period	9.2	8.8	8.8
Additions	0.1	1.1	1.7
Disposals	-	-0.0	-0.0
Depreciation and amortization	-0.3	-0.3	-1.1
Reclassification and other changes	-	-0.0	-0.0
Exchange differences	-0.0	-0.2	-0.1
Carrying amount at end of the period	9.0	9.4	9.2

At the end of March 2017 Glaston had not contractual commitments for the acquisition of property, plant and equipment (31.3.2016 0.1).

EUR million

Changes in intangible assets	**1-3/2017**	**1-3/2016**	**1-12/2016**
Carrying amount at beginning of the period	37.4	36.9	36.9
Additions	0.4	0.4	2.2
Disposals	-	-	-0.0
Depreciation and amortization	-0.5	-0.4	-1.5
Reclassification and other changes	-	-	-0.0
Exchange differences	-0.0	-0.0	-0.0
Carrying amount at end of the period	37.3	36.8	37.4

CONTINGENT LIABILITIES

EUR million	31.3.2017	31.3.2016	31.12.2016
Mortgages and pledges			
On own behalf	166.9	166.9	166.9
Guarantees			
On own behalf	9.2	2.3	11.2
On behalf of others	0.2	0.2	0.3
Lease obligations	14.3	15.7	14.7
Repurchase obligations	0.2	0.4	0.3

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	31.3.2017		31.3.2016		31.12.2016	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Commodity derivatives						
Electricity forwards	-	-	0.4	0.1	0.4	-0.0
Currency forwards						
Currency forward contracts	2.6	0.0	-	-	-	-

Since 2017, Glaston has hedged foreign currency-denominated sales and cash flows of binding orders received with currency forwards. In fulfilling the conditions of hedge accounting, cash flow hedge accounting under IAS 39 is applied with respect to currency derivatives.

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	**2017**	**2016**
1 January	3.1	3.1
Impairment losses	-	-
Reclassification	-	-
31 March	3.1	3.1

Financial instruments measured at fair value and included in level 3 of fair value hierarchy had no effect on the profit or loss of the reporting period or on other comprehensive income. These financial instruments are not measured at fair value on recurring basis.

Fair value hierarchy, fair values

EUR million	**31.3.2017**				**31.3.2016**				**31.12.2016**			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets												
Available-for-sale shares	0.2	-	0.2	**0.4**	0.2	-	0.2	**0.4**	0.1	-	0.2	**0.4**
Other long-term investments	-	-	2.8	**2.8**	-	-	2.8	**2.8**	-	-	2.8	**2.8**
Commodity derivatives	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Currency forward contracts	-	0.0	-	**0.0**	-	-	-	**-**	-	-	-	**-**
Total	**0.2**	**0.0**	**3.1**	**3.2**	**0.2**	**-**	**3.1**	**3.2**	**0.1**	**-**	**3.1**	**3.2**
Liabilities												
Commodity derivatives	-	-	-	**-**	-	0.1	-	**0.1**	-	-0.0	-	**-0.0**
Currency forward contracts	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Total	-	-	-	**-**	-	0.1	-	**0.1**	-	-0.0	-	**-0.0**

SHAREHOLDER INFORMATION

20 largerst shareholders 31 March, 2017

	Shareholder	Number of shares	% of shares and votes
1	Oy G.W.Sohlberg Ab	33 931 442	17.52
2	Hymy Lahtinen Oy	23 400 000	12.08
3	Etera Mutual Pension Insurance Company	22 593 878	11.66
4	Varma Mutual Pension Insurance Company	12 786 643	6.60
5	Evli Finnish Small Cap Fund	9 790 139	5.05
6	OP-Finland Small Firms Fund	5 168 323	2.67
7	Päivikki and Sakari Sohlberg Foundation	3 965 600	2.05
8	Oy Investsum Ab	3 408 000	1.76
9	Hulkko Juha Olavi	3 200 000	1.65
10	Kirkon Eläkerahasto	3 142 600	1.62
11	Danske Invest Finnish Small Cap Fund	2 895 896	1.49
12	Sijoitusrahasto Taaleritehdas Mikro Markka	2 375 600	1.23
13	Säästöpankki Pienyhtiöt	2 307 860	1.19
14	Sumelius-Fogelholm Birgitta	1 944 734	1.00
15	Sumelius Bjarne Henning	1 801 504	0.93
16	Metsänen Arto Juhani	1 750 000	0.90
17	Von Christierson Charlie	1 600 000	0.83
18	Oy Nissala Ab	1 500 000	0.77
19	Sumelius Christer	1 362 133	0.70
20	Sumelius-Koljonen Barbro	1 235 988	0.64
	20 largest shareholders total	140 160 340	72.36
	Nominee registered shareholders	1 442 111	0.74
	Other shares	52 105 885	26.90
	Total	193 708 336	

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

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

Alternative performance measures

Comparable EBIT:
Profit / loss of continuing operations after depreciation, amortization and impairment, share of associates' results included – items affecting comparability

Comparable EBITDA:
Profit / loss of continuing operations before depreciation, amortization and impairment, share of associates' results included – items affecting comparability

Items affecting comparability:

Items affecting comparability are related to restructuring and for events or activities, which are not part of the normal business operations. They can include expenses arising from personnel reduction, product portfolio rationalization, changes in production structure and from reduction of offices. Impairment loss of goodwill, exceptionally large gains or losses from disposals of property, plant and equipment and intangible assets as well as capital gains or losses arising from group restructuring.