Glaston Interim Report 1 January - 31 March 2009

- Orders received in January-March totalled EUR 24.5 (68.3) million.
- Glaston's order book on 31 March 2009 was EUR 45.9 (96.9) million.
- Consolidated net sales in January-March totalled EUR 39.2 (63.1) million.
- The operating result in January-March was a loss of EUR 9.0 (1.6 profit) million, representing -22.9 (+2.6)% of net sales.
- Return on capital employed (ROCE) was -17.1 (+4.1)%
- January-March earnings per share were EUR -0.10 (0.01).
- Due to a weak order book for the beginning of 2009 and exceptionally low demand, Glaston expects 2009 net sales to fall short of the 2008 level and the operating result to remain loss-making in the second quarter of the year.

President & CEO Mika Seitovirta:
"The glass processing machine market came to a halt in the final quarter of 2008. The inactive market situation continued in the first quarter in nearly all the market areas. The economic downturn and the dysfunctional financial markets influenced customers' investment needs and decisions.

The sharp decline in net sales affected Glaston's very weak financial performance. The cost-cutting measures initiated have not yet had a corresponding impact during the review period.

In April we began to adjust our structure, in addition to the efficiency programmes already under way. The restructuring is directed particularly at the machine business. The Pre-processing and Heat Treatment business areas will be merged to the Machines business area. In addition to this, the product portfolio and manufacturing footprint will be rationalised. As part of the re-structuring, our factory in Cinnaminson, USA will be closed.

The cost savings from the efficiency measures initiated this year and last are estimated to total EUR 15 million. The savings will be implemented mainly during 2009. The cost savings of the first quarter (excluding material expenses) totalled EUR 3.7 million compared with the corresponding period the previous year.

The architectural and insulating glass processing operations of the heavily loss-making Tamglass Glass Processing were sold during the review period."

Markets

The sharp weakening of demand that began in the final quarter of 2008 continued during the review period. All market areas, except for South America, came to a halt. The emphasis of machine sales was on sales of single machines. There was no demand for extensive One-Stop-Partner sales.

Pre-processing

The strong slowing of the Pre-processing market that began at the end of 2008 continued during the early part of the year. Demand for glass pre-processing machines weakened in all market areas, except for South America.

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To boost sales, a customer event was arranged in Italy in March. The event was attended by more than 300 customers from around 30 different EMEA countries.

During the review period, the strengthening of the global tool sales organisation continued. New cooperation and agency agreements were signed, for example, in the EMEA area and the United States.

The weak market situation affected the business area’s new orders and result. Orders received in January-March totalled EUR 8.0 (19.4) million. January-March net sales totalled EUR 11.1 (22.9) million.

Heat Treatment
The strong weakening of demand that began in the final quarter of 2008 intensified during the review period. The economic downturn and the unstable financial markets influenced customers’ investment decisions.

Demand in the South American market continued to be good. The biggest proportion of orders in the review period continued to come, however, from the main market area, EMEA. Overall, however, the volume of orders received was significantly below the level for the corresponding period in 2008.

Measures to strengthen market position were continued. Development of manufacturing operations was continued by localising manufacturing of continuously operating flat tempering machines in China. The first sale of a CHF machine manufactured in China was signed in January. The building of a global sourcing organisation was continued by increasing resources in Finland and in Italy.

In product development, the development of flat tempering was in focus and the product development of solar energy glass tempering was continued. The product development and manufacturing of Uniglass products was transferred to Glaston’s Tampere factory and measures initiated to merge the sales organisations.

The Heat Treatment business area's January-March net sales totalled EUR 22.2 (32.9) million. In the review period, orders received totalled EUR 14.1 (44.0) million. Profitability weakened compared with the previous year, despite the initiated cost-cutting measures. Due to the weakened market situation, new measures were initiated to lower costs by increasing adjustment measures and by extending them to cover a wider group of employees than before.

The restructuring of Tamglass Glass Processing continued in the review period. On 31 March, Glaston sold the insulation and architectural glass business of Tamglass Glass Processing to INTERPANE Glass Oy.

Software Solutions
Economic downturn had a substantial impact on the activity of the Software Solutions business area in the first quarter. Demand in the United States and in China came to a halt. The Central European market remained stable.

The product development priorities were a higher degree of automation as well as integration and flexibility. The Panorama line control system, which enables control and observation of entire production lines on a network, was developed further. In China a major pilot project, with a fully integrated software system beeing implemented, was started during the review period.

January-March net sales totalled EUR 6.0 (7.3) million. Licence orders received totalled EUR 2.4 (4.8) million.

One-Stop-Partner

Demand for extensive One-Stop-Partner projects dried up during the final quarter of 2008 and there has been no recovery during the review period. Customers' interest was directed at capacity expansion and upgrade projects.

Total sales of One-Stop-Partner deliveries totalled EUR 1.2 (2.1) million in January-March. The unit's earnings are included in Glaston's reporting segments.

The market for solar energy One-Stop-Partner projects still exists and Glaston's position in this customer segment is strong. The economic downturn and the uncertainty in the financial markets have postponed customers' investment decisions, however.

Orders received

Glaston's order intake during the first quarter was EUR 24.5 (68.3) million. Of orders received, Heat Treatment accounted for 57.5%, Pre-processing 32.7% and Software Solutions 9.8%.

Geographical distribution of orders received, EUR million

	1-3/2009	1-3/2008	Change, %
EMEA	13.3	42.4	-68.6
America	7.3	11.3	-35.4
Asia	3.8	14.5	-73.7
Total	**24.5**	**68.3**	**-64.1**

Order book

Glaston's order book on 31 March, 2009 was EUR 45.9 (96.9) million. The Heat Treatment business area accounted for EUR 28.7 million of the order book, Pre-processing for EUR 13.5 million and Software Solutions for EUR 3.7 million.

Order book, EUR million	31.3.2009	31.3.2008
Pre-processing	13.5	21.0
Heat Treatment	28.7	66.4
Software Solutions	3.7	9.5
Total	**45.9**	**96.9**

Net sales and operating result

Glaston's net sales in the review period were EUR 39.2 (63.1) million. Pre-processing's net sales in January–March were EUR 11.1 (22.9) million, Heat Treatment's net sales EUR 22.2 (32.9) million and Software Solutions' net sales EUR 6.0 (7.3) million.

Exceptionally weak demand affected net sales in the financial period. The prevailing uncertainty in the market influenced customers' investment decisions and led to the postponement of projects.

Net sales, EUR million	1-3/2009	1-3/2008	1-12/2008
Pre-processing	11.1	22.9	89.7
Heat Treatment	22.2	32.9	152.9
Software Solutions	6.0	7.3	28.2
Parent company, elim.	0.0	0.0	-0.3
Total	**39.2**	**63.1**	**270.4**

The operating result in January-March was a loss of EUR 9.0 (1.6 profit) million, representing -22.9 (+2.6)% of net sales. Of the first-quarter operating loss, the Pre-processing business area accounted for EUR -4.4 million, Heat Treatment for EUR -2.6 million and Software Solutions for EUR -0.4 million.

Pre-processing's weaker than expected operating result was due to very weak demand and tightened price competition.

Tamglass Glass Processing's operating loss of EUR 2.2 (1.6 loss) million significantly weakened the result of the Heat Treatment business area. The figure also includes the operating loss for the business operations sold at the end of the review period. The Heat Treatment business area's operating result was also weakened by a sharp decline in sales.

Operational adjustment and efficiency measures were insufficient to balance the significantly declining net sales.

Operating result, EUR million	1-3/2009	1-3/2008	1-12/2008
Pre-processing	-4.4	0.6	-3.0
Heat Treatment	-2.6	1.9	13.0
Software Solutions	-0.4	1.0	3.7
Parent company, elim.	-1.6	-1.8	-7.5
Operating result, total	**-9.0**	**1.6**	**6.2**
Non-recurring items	-	-	-12.3
Operating result after non-recurring items	**-9.0**	**1.6**	**-6.1**

The result for the financial period was a loss of EUR 8.1 (0.6 profit) million. Return on capital employed (ROCE) was -17.1 (+4.1)% and earnings per share were EUR -0.10 (0.01).

Efficiency programme

To improve profitability, Glaston initiated efficiency measures in all units in September 2008. The objective of the efficiency programme is to improve the profitability of the whole group and of the Pre-processing business area in particular, as well as to adjust the operations to the market situation.

In January-March Glaston continued the measures it had initiated. Negotiations held with personnel representatives in Finland were completed in March. The outcome was that all Glaston Finland Oy personnel excluding maintenance staff, a total around 200 people, were decided to be temporarily laid off for 10-18 weeks.

In the Pre-processing business area, 25% of personnel, i.e. 100 people, have been regularly temporarily laid off since December 2008. Personnel reductions and adjustments will also be made in a number of the Group's other units, and these will be implemented mainly during the first half of the 2009.

During the first quarter, Glaston announced the redundancy of 155 employees, and of these the employment relationship of 65 has already ended. In addition, temporary subcontracted workers were reduced by 44.

In the review period, Glaston initiated a rationalisation programme, the emphasis of which was on the restructuring of machine operations. A production unit situated in Mexico was closed in March, and in April Glaston announced that it will close its factory in Cinnaminson in the USA. The streamlining of the Group structure will also continue.

The cost savings from the efficiency measures initiated now and earlier are estimated to total EUR 15 million. Related one-off costs for the year 2009 are estimated to EUR 3.7 million. The savings will be implemented mainly during 2009. The cost savings of the first quarter (excluding material expenses) totalled EUR 3.7 million compared with the corresponding period in the previous year.

Financing

The Group's financial position remained reasonable, even though net gearing continued to grow during the review period. In addition to dividends paid during the financial period, the Group's financial position was affected mainly by changes in net working capital and cash flow from operating activities. Net working capital was reduced as part of the initiated efficiency programme (EUR +4.4 million), but cash flow from operating activities excluding the change in net working capital was negative (EUR -8.1 million) in the period under review. Cash flow from investing activities was EUR -2.9 (-3.1) million. Cash flow from financing activities in January-March was EUR 3.2 (8.4) million, including dividends paid in the review period of EUR 3.6 (7.2) million.

The equity ratio on 31 March, 2009 was 44.3 (52.2)%.

The Group's liquid funds at the end of the period totalled EUR 8.8 (16.4) million. Interest-bearing net debt totalled EUR 66.2 (20.6) million and net gearing was 58.7 (15.7)%. To ensure liquidity, the Group has a EUR 65 million committed revolving credit facility. At the end of March, EUR 32.2 million of the facility was in use.

Capital expenditure and depreciation

Glaston's gross capital expenditure totalled EUR 4.1 (3.3) million. The most significant capital expenditure was related to the global ERP project as well as to a joint venture founded in connection with the sale of the glass processing operations.

During the financial period, depreciation and amortisation of property, plant and equipment as well as intangible assets totalled EUR 2.2 (2.0) million. In addition, impairment losses totalling EUR 0.4 (0.0) million on property, plant and equipment as well as intangible assets were recognised in the period.

Group structural changes

As part of an efficiency programme initiated last year, operations of Uniglass Engineering Oy were transferred to Glaston's factory in Tampere, Finland. Operations at the Uniglass factory in Ylöjärvi, Finland ended on 31 March, 2009.

Glaston's Tamglass Glass Processing Ltd. sold its insulation and architectural glass processing operations to INTERPANE Glass Oy in March. Around 90 people were employed in the sold operations. The net sales of the sold operations totalled around EUR 14 million in 2008. As of 1 April, 2009, glass processing operations consists only of solar reflector production at Akaa, Finland, where around 30 people are employed. INTERPANE Glass Oy is a joint venture company of Glaston.

Personnel
On 31 March, 2009, Glaston had a total of 1,480 (1,489) employees, including the 93 Tamglass Glass Processing Ltd.'s employees who transferred to INTERPANE Glass Oy on 1 April, 2009. Of the Group's employees, 28% were in Finland and 48% elsewhere in Europe, mainly in Germany and Italy. The proportion of Group employees working in Asia was 10% and in the Americas 14%. The average number of employees was 1,490 (1,462). Personnel reductions resulting from the adjustment of operations will be implemented mainly during the second quarter of the year.

Shares and share prices
Glaston Corporation's paid and registered share capital on 31 March, 2009 was EUR 12.7 million and the number of issued shares totalled 79,350,000. The company has one series of share. At the end of March, the company held 813,906 of the company's own shares (treasury shares), corresponding to 1% of the total number of issued shares and votes. The counter book value of treasury shares is EUR 130,225. Every share that the company does not hold itself entitles its owner to one vote at the Annual General Meeting. The share has no nominal value. The counter book value of each share is EUR 0.16.

On 31 March, 2009, the market capitalisation of the company's shares, treasury shares excluded, was EUR 78.5 (251.0) million.

During the first quarter of the year, a total of around 2.2 million of the company's shares were traded, representing 2.8% of the total number of shares. The lowest price paid for a share was EUR 0.92 and the highest price EUR 1.15. The volume- weighted average price of shares traded during the review period was EUR 1.02.

The equity per share attributable to the owners of the parent was EUR 1.43 (1.68).

Decisions of the Annual General Meeting
The Annual General Meeting of Glaston Corporation was held in Helsinki on 17 March, 2009. The Annual General Meeting approved the financial statements and consolidated financial statements for 2008 and released the Board of Directors and the President & CEO from liability for the financial period 1 January–31 December, 2008.

The Annual General Meeting approved a dividend of EUR 0.05 per share, representing a maximum total sum of around EUR 4.0 million.

The Annual General Meeting confirmed that the following will continue on the Board of Directors for a year-long term of office: Claus von Bonsdorff, Klaus Cawén, Jan Lång, Carl-Johan Rosenbröijer, Christer Sumelius and Andreas Tallberg. The Annual General Meeting decided to maintain the Chairman of the Board's annual remuneration at EUR 40,000 and the Deputy Chairman's annual remuneration at EUR 30,000. It was also decided to maintain the remuneration of the other Members of the Board at EUR 20,000 per year. The Board of Directors elected in its meeting on 17 March, 2009, Andreas Tallberg to continue as the Chairman of the Board and Christer Sumelius to continue as the Deputy Chairman of the Board.

The Annual General Meeting re-elected as auditor the authorised public accounting firm KPMG Oy Ab, with the responsible auditor being Sixten Nyman, APA.

The Annual General Meeting approved amendments to the Articles of Association, as follows: (i) that Section 2 of the Articles of Association be amended by removing energy production from the field of operations; (ii) that Section 11 of the Articles of Association be amended such that notice to the General Meeting be delivered no later than 21 days before the General Meeting; (iii) that Section 12 of the Articles of Association be amended such that advance notice of participation in an Annual General Meeting shall be given no later than a given date, not to be earlier than 10 days before the Annual General Meeting.

Authorisations given by the Annual General Meeting

The Annual General Meeting of Glaston Corporation held on 17 March, 2009 authorised the Board of Directors to decide on the acquisition of the Company's own shares up to a maximum of 7,000,000 shares. The shares may be acquired to improve the capital structure of the Company and/or to be used as consideration in future acquisitions or other arrangements that are part of Company's business or as part of the Company's share-based incentive scheme, or to finance investments. The shares acquired for the Company may be held, cancelled or conveyed. The authorisation is valid for 18 months from the decision of the Annual General Meeting.

The Annual General Meeting also authorised the Board of Directors to decide on the issue of new shares and/or the conveyance of the own shares held by the Company. By virtue of the authorisation, the Board of Directors is entitled to decide on the issuance of a maximum of 7,800,000 new shares and on the conveyance of a maximum of 7,800,000 own shares held by the Company. However, the total number of shares to be issued and/or conveyed may not exceed 7,800,000 shares. The new shares may be issued and own shares held by the Company conveyed either against payment or without payment. The new shares may be issued and/or own shares held by the Company conveyed to the Company's shareholders in proportion to their existing shareholdings in the Company, or by means of a directed share issue, waiving the pre-emptive subscription right of the shareholders, if there is a weighty reason for the Company to do so, such as the shares to be used to improve the capital structure of the Company or as consideration in future acquisitions or other arrangements that are part of the Company's business or as part of Company's or its subsidiaries' incentive schemes. Shares can be issued or conveyed without payment in exception to the pre-emptive subscription right of shareholders only if there is an especially weighty reason for the Company to do so, taking the interests of all shareholders into account.

The Board of Directors may decide on the issue of shares without payment also to the Company itself. The number of shares to be issued to the Company combined with the number of shares acquired for the Company under the share acquisition authorization may not exceed 1/10 of the total number of shares of the Company.

The subscription price of new shares issued and the consideration paid for the conveyance of the Company's own shares shall be credited to the reserve for invested unrestricted equity. By virtue of the share issue authorisation, the Board of Directors shall decide on other matters relating to the issuing and conveyance of shares. The authorisation is valid until the end of the 2011 Annual General Meeting.

The Board of Directors has no other authorisations.

Conveyance of own shares

The 2007 Annual General Meeting authorised the Board of Directors to decide on the conveyance of own shares in the Company's possession (treasury shares). The authorisation was valid until the end of the 2009 Annual General Meeting. During January-March, the company did not convey any of its own shares.

Events after the review period

Henrik Reims was appointed Senior Vice President, Sales and Marketing as of 1 April, 2009. The Senior Vice President, Sales and Marketing's area of responsibility includes One-Stop-Partner deliveries.

Glaston announced in a stock exchange release published on 22 April, 2009 that it will merge the Pre-processing and Heat Treatment business areas into a single new business area: Machines. Topi Saarenhovi, SVP of the Heat Treatment business area was appointed SVP of the Machines business area. At the same time, Paolo Ceni, SVP of the Pre-processing business area, resigned from Glaston's service.

The cost-savings generated by combining the business areas and improving productivity are estimated to be around EUR 3.5 million on an annual basis. These will be realised in full from 2010. The combining of the business areas will cause estimated non-recurring costs of EUR 3.7 million, which will be recognised mainly in the second quarter 2009.

The merger of the business areas will change Glaston's reporting segments. The second interim report of 2009, to be published on 12 August, 2009, will be reported according to the new business structure.

Uncertainties in the near future

As the global financial crisis and the economic downturn continue, Glaston's current markets have substantially changed. The world's economic situation has had a significant adverse effect on the opportunities for Glaston's customers to invest. The instability had a particularly strong impact on large One-Stop-Partner orders.

Owing to the recession, demand for glass processing machines will continue to be weak. Customers' financing difficulties mean that orders might be postponed and those already confirmed may be cancelled. Customers' financial situation also impacts on the collection of receivables and on credit losses.

Risks relating to raw materials have decreased. Raw material prices have levelled off and subcontracting capacity problems have nearly disappeared.

Outlook

The inactive market will have a considerable impact on Glaston's business in 2009. Adjusting operations to the prevailing market situation will continue.

The cornerstones of Glaston's business remain the architectural glass segment and the solar energy market. In the economic downturn, the significance of service and maintenance business will increase.

Market prospects for the first part of the year were very weak, and no signs of a recovery in the market are perceptible. Prospects for service and maintenance business are reasonable. The emphasis of new machine business will be on sales of single machines. No significant demand for One-Stop-Partner projects is perceptible in the second quarter of the year. Demand for glass processing machines in the latter part of the year is very difficult to forecast in the present uncertain economic climate.

Due to a weak order book for the beginning of 2009 and exceptionally low demand, Glaston expects 2009 net sales to fall short of the 2008 level and the operating result to remain loss-making in the second quarter of the year.

Helsinki, 5 May 2009

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Glaston Corporation

Glaston Corporation is a growing, international glass technology company. Glaston is the global market leader in glass processing machines, and a comprehensive One-Stop-Partner supplier to its customers. Its product range and service network are the widest in the industry. Glaston's well–known brands are Bavelloni in pre-processing machines and tools, Tamglass and Uniglass in safety glass machines, and Albat+Wirsam Software in glass industry software.

Glaston's share (GLA1V) is listed on the OMX Nordic Exchange Helsinki Mid Cap List.

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GLASTON CORPORATION

CONDENSED INTERIM FINANCIAL STATEMENTS AND NOTES 1 JANUARY - 31 MARCH 2009

These condensed 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 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR million	31.3.2009	31.3.2008	31.12.2008
Assets			
Non-current assets			
Property, plant and equipment	29.7	34.0	35.0
Goodwill	66.2	67.6	66.2
Other intangible assets	23.5	19.1	22.5
Joint ventures and associates and loan receivables from joint ventures	1.8	0.8	0.9
Available-for-sale assets	0.3	0.2	0.3
Deferred tax assets	9.0	4.2	7.9
Total non-current assets	**130.4**	**125.8**	**132.9**
Current assets			
Inventories	51.9	52.0	53.9
Receivables			
Trade and other receivables	75.7	84.5	83.3
Assets for current tax	3.4	1.5	4.4
Total receivables	79.1	86.0	87.6
Cash equivalents	8.8	16.4	11.5
Assets held for sale	-	0.3	-
Total current assets	**139.8**	**154.7**	**153.1**
Total assets	**270.2**	**280.5**	**285.9**

	31.3.2009	31.3.2008	31.12.2008
Equity and liabilities			
Equity			
Share capital	12.7	12.7	12.7
Share premium account	25.3	25.3	25.3
Other reserves	0.0	-	-
Reserve for invested unrestricted equity	0.2	0.3	0.2
Treasury shares	-3.5	-3.9	-3.5
Fair value reserve	0.0	-	0.0
Hedging reserve	-	0.0	-
Retained earnings and exchange differences	85.8	96.7	98.2
Net result attributable to owners of the parent	-8.1	0.6	-9.1
Equity attributable to owners	**112.4**	**131.6**	**123.7**

of the parent			
Non-controlling interest	**0.4**	**0.0**	**0.0**
Total equity	**112.8**	**131.7**	**123.8**
Non-current liabilities			
Non-current interest-bearing liabilities	16.3	1.9	16.4
Non-current interest-free liabilities and provisions	7.6	8.7	8.0
Deferred tax liabilities	8.5	8.6	8.4
Total non-current liabilities	**32.4**	**19.2**	**32.9**
Current liabilities			
Current interest-bearing liabilities	58.7	35.1	53.0
Current provisions	8.9	2.7	10.6
Trade and other payables	56.4	90.2	63.8
Liabilities for current tax	1.0	1.6	1.9
Total current liabilities	**125.0**	**129.6**	**129.3**
Total liabilities	**157.4**	**148.8**	**162.2**
Total equity and liabilities	**270.2**	**280.5**	**285.9**

CONDENSED CONSOLIDATED INCOME STATEMENT

EUR million	**1-3/ 2009**	**1-3/ 2008**	**1-12/ 2008**
Net sales	**39.2**	**63.1**	**270.4**
Other operating income	0.4	0.2	0.4
Expenses	-46.0	-59.6	-265.8
Share of associates and joint ventures' result	-	0.0	0.0
Depreciation, amortization and impairment	-2.6	-2.0	-11.2
Operating profit / loss	**-9.0**	**1.6**	**-6.1**
Gains from assets held for sale	-	-	0.1
Other financial items, net	0.0	-0.5	-2.1
Result before income taxes	**-9.0**	**1.1**	**-8.1**
Income taxes	0.9	-0.5	-1.1
Profit / loss for the period	**-8.1**	**0.6**	**-9.2**
Attributable to:			
Non-controlling interests	0.0	0.0	0.0
Owners of the parent	-8.1	0.6	-9.1
Total	**-8.1**	**0.6**	**-9.2**
Earnings per share, EUR, basic and diluted	**-0.10**	**0.01**	**-0.12**
Operating profit / loss, as % of net sales	-22.9	2.6	-2.3

Profit / loss for the period, as % of net sales	-20.6	0.9	-3.4
Non-recurring items included in operating profit / loss	-	-	-12.3
Operating profit / loss, non-recurring items excluded	-9.0	1.6	6.2
Operating profit / loss, non-recurring items excluded, as % of net sales	-22.9	2.6	2.3

CONSOLIDATED STATEMENT OF COMPEREHENSIVE INCOME

EUR million	1-3/ 2009	1-3/ 2008	1-12/ 2008
Profit / loss for the period	**-8.1**	**0.6**	**-9.2**
Other comprehensive income			
Total exchange differences on translating foreign operations	0.6	-1.0	0.7
Effective portion of fair value changes of cash flow hedges	-	0.0	-
Fair value changes of cash flow hedges reclassified in profit or loss	-	-	0.0
Fair value changes of available-for-sale shares	0.0	-	0.0
Other reclassifications	0.0	-	0.0
Income tax on other comprehensive income	0.0	0.0	0.0
Other comprehensive income for the reporting period, net of tax	**0.6**	**-1.0**	**0.7**
Total comprehensive income for the reporting period	**-7.4**	**-0.4**	**-8.5**
Attributable to			
Owners of the parent	-7.4	-0.4	-8.5
Non-controlling interest	0.0	0.0	0.0
Total comprehensive income for the reporting period	**-7.4**	**-0.4**	**-8.5**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1-3/ 2009	1-3/ 2008	1-12/ 2008
Cash flows from operating activities			
Cash flow before change in net working capital	-8.1	0.4	7.2
Change in net working capital	4.4	-0.6	-30.4
Net cash flow from operating activities	**-3.8**	**-0.2**	**-23.3**
Cash flow from investing activities			
Business combinations	-	-	0.7
Other purchases of non-current assets	-2.3	-3.1	-14.5
Investment in shares in joint ventures	-1.8	-	-
Other	0.1	-	-
Proceeds from sale of non-current assets	1.0	0.0	0.4
Net cash used in investing activities	**-2.9**	**-3.1**	**-13.4**
Cash flow before financing	**-6.7**	**-3.2**	**-36.7**
Cash flow from financing activities			
Changes in non-current liabilities (increase + / decrease -)	-	-	17.5
Changes in non-current loan receivables (increase - / decrease +)	0.0	-	0.3
Short-term financing, net (increase + / decrease -)	5.6	15.6	27.9
Dividends paid	-3.6	-7.2	-7.8
Other financing	1.2	-	0.0
Net cash used in financing activities	**3.2**	**8.4**	**37.8**
Effect of exchange rate changes	**0.8**	**-0.2**	**-1.0**
Net change in cash and cash equivalents	**-2.7**	**5.0**	**0.1**
Cash and cash equivalents at the beginning of period	11.5	11.4	11.4
Cash and cash equivalents at the end of period	8.8	16.4	11.5
Net change in cash and cash equivalents	**-2.7**	**5.0**	**0.1**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Share premium acc.	Other reser-ves	Reserve for invested unrestr. equity	Trea-sury shares	Fair value reser-ve
Equity at 1 January, 2008	**12.7**	**25.3**	**-**	**0.3**	**-3.9**	-
Equity at 31 March, 2008	**12.7**	**25.3**	**-**	**0.3**	**-3.9**	**-**

	Share capital	Share premium acc.	Other reser-ves	Reserve for invested unrestr. equity	Trea-sury shares	Fair value reser-ve
Equity at 1 January, 2009	**12.7**	**25.3**	**-**	**0.2**	**-3.5**	**0.0**
Total comprehensive income for the period	-	-	0.0	-	-	0.0
Other changes in treasury shares	-	-	-	0.0	0.0	-
Equity at 31 March, 2009	**12.7**	**25.3**	**0.0**	**0.2**	**-3.5**	**0.0**

	Hedging reser-ve	Retained earnings	Exch. diff.	Equity attrib. to owners of the parent	Non-control-ling interest	Total equity
Equity at 1 January, 2008	**0.0**	**106.8**	**-1.2**	**139.9**	**0.0**	**139.9**
Total comprehensive income for the period	0.0	0.6	-1.0	-0.4	0.0	-0.4
Share-based incentive plan	-	0.0	-	0.0	-	0.0
Share-based incentive plan, tax effect	-	0.0	-	0.0	-	0.0
Dividends paid	-	-7.8	-	-7.8	-	-7.8
Equity at 31 March, 2008	**0.0**	**99.5**	**-2.2**	**131.6**	**0.0**	**131.7**

EUR million	Hedging reser-ve	Retained earnings	Exch. diff.	Equity attrib. to owners of the parent	Non-control-ling interest	Total equity
Equity at 1 January, 2009	**-**	**89.6**	**-0.5**	**123.7**	**0.0**	**123.8**
Total comprehensive income for the period	-	-8.1	0.6	-7.4	0.0	-7.4
Other changes in non-controlling interest	-	-	-	-	0.4	0.4
Other changes in treasury shares	-	-	-	-	-	-
Share-based incentive plan	-	0.0	-	0.0	-	0.0
Share-based incentive plan, tax effect	-	0.0	-	0.0	-	0.0
Dividends paid	-	-3.9	-	-3.9	-	-3.9
Equity at 31 March, 2009	**-**	**77.6**	**0.1**	**112.4**	**0.4**	**112.8**

KEY RATIOS

	31.3.2009	31.3.2008	31.12.2008
EBITDA, as % of net sales [1]	-16.2	5.7	1.9
Operating profit / loss (EBIT), as % of net sales	-22.9	2.6	-2.3
Net result, as % of net sales	-20.6	0.9	-3.4
Gross capital expenditure, EUR million	4.1	3.3	18.4
Gross capital expenditure, as % of net sales	10.4	5.2	6.8
Equity ratio, %	44.3	52.2	45.8
Gearing, %	66.5	28.1	56.1
Net gearing, %	58.7	15.7	46.8
Net interest-bearing debt, EUR million	66.2	20.6	57.9
Capital employed, end of period, EUR million	187.8	168.7	193.2
Return on equity, %, annualized	-27.3	1.7	-7.0
Return on capital employed, %, annualized	-17.1	4.1	-2.3
Number of personnel, average	1,490	1,462	1,519
Number of personnel, end of period	1,480	1,489	1,541

(1 EBITDA = Operating profit / loss + depreciation, amortization and impairment.

PER SHARE DATA

	31.3. 2009	31.3. 2008	31.12. 2008
Number of shares, end of period, treasury shares excluded (1,000)	78,536	78,437	78,540
Number of shares, average, treasury shares excluded (1,000)	78,536	78,437	78,507
EPS, EUR (*	-0.10	0.01	-0.12
Equity attributable to owners of the parent per share, EUR	1.43	1.68	1.58
Price per earnings per share (P/E) ratio	-9.2	430.5	-7.8
Price per equity attributable to owners of the parent per share	0.66	1.91	0.58
Market capitalization, EUR million	74.6	251.0	71.5
Share turnover, % (number of shares traded, % of the average number of shares)	2.8	1.0	5.1
Number of shares traded, (1,000)	2,193	781	3,965
Closing price of the share, EUR	0.95	3.20	0.91
Highest quoted price, EUR	1.15	3.30	3.33
Lowest quoted price, EUR	0.92	2.70	0.87
Volume-weighted average quoted price, EUR	1.15	3.06	2.07

(* Glaston Corporation has not issued options or warrants or similar instruments which would dilute the earnings per share.

DEFINITIONS OF KEY RATIOS

Financial ratios

EBITDA = Profit / loss before depreciation, amortization and impairment, share of joint ventures' and associates' results included

Operating profit (EBIT) = Profit / loss after depreciation, amortization and impairment, share of joint ventures' and associates' results included

Cash and cash equivalents = Cash + other financial assets

Net interest-bearing debt = Interest-bearing liabilities – cash and cash equivalents

Financial expenses = Interest expenses of financial liabilities + fees of financing arrangements + foreign currency differences of financial liabilities

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 investments, % (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)

Per share data

Earnings per share (EPS) = Net result attributable to owners of the parent / Adjusted average number of shares

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 per share = Share price at period end / Equity attributable to owners of the parent per share

Share turnover = The proportion of number of shares traded during the period to 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

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ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been
prepared in accordance with the IFRS recognition and measurement principles but not complying with all the requirements of IAS 34 Interim Financial Reporting. The consolidated interim financial statements do not include all of the information required for annual financial statements.

The accounting principles applied in these condensed interim consolidated financial statements are the same as in the previous financial statements, with the exception of the following
new or revised or amended standards and interpretations, which have
been applied from 1 January, 2009:

- IAS 23 (revised) Borrowing Costs
- IFRS 8 Operating Segments
- IFRIC 13 Customer Loyalty Programs
- Amendments to IFRS 2 Share-based Payments: Vesting Conditions and Cancellations
- Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation
- IFRIC 15 Agreements for the Construction of Real Estate
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate.
- Amendments to IFRS 7 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
- Amendments to IFRIC 9 and IAS 39: Embedded Derivatives

In addition, Glaston applies the annual Improvements to IFRSs issued in May 2008.

Applying revised IAS 23 Borrowing Costs changed Glaston's accounting principles from 1 January 2009. From that date on the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized to the acquisition cost of the asset. The capitalization will apply mainly to property, plant and equipment and intangible assets.

Applying IFRS 8 Operating Segments did not have any material effect on the financial information of Glaston.

Other new or amended standards or interpretations are not material for Glaston Group.

DIVESTMENTS

Glaston's subsidiary Tamglass Glass Processing Ltd. sold in March its
insulated and architectural glass processing operations to INTERPANE Glass Oy. INTERPANE Glass Oy began its operations on April, 2009. The divested operations had net sales of approximately EUR 14 million in 2008 and 93 employees at the end of March. The personnel were transferred to INTERPANE Glass Oy.

The transaction was an asset deal, consisting of, among others, tangible assets and inventory. The deal was financed mainly through vendor financing given by Glaston. Glaston also invested EUR 1.8 million in the equity of INTERPANE Glass Oy. In addition, Glaston is committed to invest additional EUR 1.0 million in INTERPANE's equity.

INTERPANE Glass Oy is a company owned jointly by Georg F. Hesselbach through his company A A A Glass & Design Finland Oy, and a subsidiary of Glaston Corporation. The shareholders of INTERPANE Glass Oy have entered into a shareholders' agreement which incorporates put and call options enabling the shareholders to rearrange their ownership shares in the company in the future.

The transaction has no material effect on Glaston's result.

INTERPANE Glass Oy is a joint venture of Glaston, and it is consolidated in Glaston's consolidated financial statements using the equity method.

Glaston continues its production of solar reflectors in Akaa, Finland, employing approximately 30 persons.

CHANGES IN JOINT VENTURES

The Chinese company Sanhe AAA Tools Co. was consolidated in 2008 as a joint venture using the equity method and not as a subsidiary despite of the 70 per cent ownership of Glaston, because Glaston was not considered to have control of the company. From 1 January, 2009, Sanhe AAA Tools Co. has been consolidated as a subsidiary as Glaston has gained control of the company.

INTERPANE Glass Oy became a joint venture of Glaston on 31 March, 2009.

SEGMENT INFORMATION

The Pre-processing segment includes glass pre-processing machines, maintenance and service operations, as well as tool manufacturing. The Heat Treatment segment includes tempering, bending and laminating machines, maintenance and service operations, as well as the glass processing operations of Tamglass Glass Processing. The Software Solutions segment's product offering covers enterprise resource planning systems for the glass industry, software for windows and door glass manufacturers, and software for glass processor's integrated line solutions.

Glaston announced in a stock exchange release on 22 April, 2009 that it changes the reporting segments. The second quarter interim report of Glaston will be prepared in accordance with the new segments.

EUR million

Net sales	**1-3/ 2009**	**1-3/ 2008**	**1-12/ 2008**
Pre-processing	11.1	22.9	89.7
Heat Treatment	22.2	32.9	152.9
Software Solutions	6.0	7.3	28.2
Parent company and eliminations	0.0	0.0	-0.3
Total	**39.2**	**63.1**	**270.4**

Operating profit / loss, excluding non-recurring items	**1-3/ 2009**	**1-3/ 2008**	**1-12/ 2008**
Pre-processing	-4.4	0.6	-3.0
Heat Treatment	-2.6	1.9	13.0
Software Solutions	-0.4	1.0	3.7
Parent company and eliminations	-1.6	-1.8	-7.5
Total	**-9.0**	**1.6**	**6.2**
Non-recurring items	-	-	-12.3
Operating profit / loss	**-9.0**	**1.6**	**-6.1**
Net financial items	0.0	-0.5	-2.0
Income taxes	0.9	-0.5	-1.1
Net result for the period	**-8.1**	**0.6**	**-9.2**

Operating profit / loss, excluding non-recurring items, as % of net sales	**1-3/ 2009**	**1-3/ 2008**	**1-12/ 2008**
Pre-processing	-39.4%	-2.5%	-3.3%
Heat Treatment	-11.7%	5.7%	8.5%
Software Solutions	-6.0%	13.2%	13.3%
Total	**-22.9%**	**2.6%**	**2.3%**

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Depreciation, amortization and impairment	1-3/ 2009	1-3/ 2008	1-12/ 2008
Pre-processing	0.5	0.4	2.1
Heat Treatment	1.1	0.9	6.5
Software Solutions	0.8	0.4	1.7
Parent company and eliminations	0.3	0.2	0.9
Total	**2.6**	**2.0**	**11.2**

Net working capital	31.3.2009	31.3.2008	31.12.2008
Pre-processing	34.1	26.0	31.8
Heat Treatment	41.5	37.6	54.9
Software Solutions	7.1	5.3	5.8
Parent company and eliminations	-0.5	-0.8	-0.4
Total	**82.2**	**68.0**	**92.1**

In segment reporting net working capital consists of inventory, external trade receivables and trade payables and advances received.

Orders received	1-3/ 2009	1-3/ 2008	1-12/ 2008
Pre-processing	8.0	19.4	68.6
Heat Treatment	14.1	44.0	135.5
Software Solutions	2.4	4.8	13.9
Total	**24.5**	**68.3**	**218.0**

Order book	31.3.2009	31.3.2008	31.12.2008
Pre-processing	13.5	21.0	13.0
Heat Treatment	28.7	66.4	46.0
Software Solutions	3.7	9.5	3.5
Total	**45.9**	**96.9**	**62.5**

Net sales by market area	1-3/ 2009	1-3/ 2008	1-12/ 2008
EMEA	26.2	43.2	175.6
America	9.3	11.9	56.0
Asia	3.8	8.0	38.8
Total	**39.2**	**63.1**	**270.4**

Net sales by market area, %	1-3/ 2009	1-3/ 2008	1-12/ 2008
EMEA	66.8%	68.5%	55.8%
America	23.6%	18.9%	28.0%
Asia	9.6%	12.7%	16.2%
Total	**100.0%**	**100.0%**	**100.0%**

Geographical distribution of orders received	1-3/ 2009	1-3/ 2008	change, %	1-12/ 2008
EMEA	13.3	42.4	-68.6%	144.8
America	7.3	11.3	-35.4%	45.9
Asia	3.8	14.5	-73.7%	27.3
Total	**24.5**	**68.3**	**-64.1%**	**218.0**

Personnel at the end of the period	31.3.2009	31.3.2008	31.12.2008
Pre-processing	584	625	614
Heat Treatment	615	600	640
Software Solutions	253	239	262
Parent company	27	25	26
Total	**1,480**	**1,489**	**1,541**

Personnel, average	1-3/ 2009	1-3/ 2008	1-12/ 2008
Pre-processing	600	602	591
Heat Treatment	608	590	647
Software Solutions	256	246	255
Parent company	27	24	26
Total	**1,490**	**1,462**	**1,519**

NET SALES, OPERATING RESULT AND ORDER BOOK BY QUARTER

Net sales	1-3/ 2009	10-12/ 2008	7-9/ 2008	4-6/ 2008	1-3/ 2008
Pre-processing	11.1	23.7	20.0	23.2	22.9
Heat Treatment	22.2	38.8	37.2	44.0	32.9
Software Solutions	6.0	6.6	7.8	6.4	7.3
Parent company and eliminations	0.0	-0.2	0.8	-1.0	0.0
Total	**39.2**	**68.9**	**65.8**	**72.6**	**63.1**

Operating profit / loss excluding non-recurring items	1-3/ 2009	10-12/ 2008	7-9/ 2008	4-6/ 2008	1-3/ 2008
Pre-processing	-4.4	-1.1	-1.6	-0.7	0.6
Operating profit / loss, %	-39.4%	-4.8%	-8.4%	-3.1%	2.5%
Heat Treatment	-2.6	2.5	3.3	5.3	1.9
Operating profit / loss, %	-11.7%	6.4%	8.9%	12.0%	5.7%
Software Solutions	-0.4	0.1	1.4	1.2	1.0
Operating profit / loss, %	-6.0%	1.8%	18.1%	19.3%	13.2%
Parent company and eliminations	-1.6	-1.8	-2.0	-2.0	-1.8
Total	**-9.0**	**-0.3**	**1.1**	**3.8**	**1.6**

Operating profit / loss, %	-22.9%	-0.4%	1.6%	5.2%	2.6%

Operating profit / loss	**1-3/ 2009**	**10-12/ 2008**	**7-9/ 2008**	**4-6/ 2008**	**1-3/ 2008**
Pre-processing	-4.4	-6.6	-1.6	-0.7	0.6
Operating profit / loss, %	-39.4%	-27.7%	-8.4%	-3.1%	2.5%
Heat Treatment	-2.6	-3.8	3.3	5.3	1.9
Operating profit / loss, %	-11.7%	-9.8%	8.9%	12.0%	5.7%
Software Solutions	-0.4	-0.4	1.4	1.2	1.0
Operating profit / loss, %	-6.0%	-6.5%	18.1%	19.3%	13.2%
Parent company and eliminations	-1.6	-1.8	-2.0	-2.0	-1.8
Total	**-9.0**	**-12.6**	**1.0**	**3.8**	**1.6**
Operating profit / loss, %	-22.9%	-18.3%	1.6%	5.2%	2.6%

Order book	**31.3.2009**	**31.12.2008**	**30.9.2008**	**30.6.2008**	**31.3.2008**
Pre-processing	13.5	13.0	19.1	21.9	21.0
Heat Treatment	28.7	46.0	60.8	72.4	66.4
Software Solutions	3.7	3.5	4.5	6.0	9.5
Total	**45.9**	**62.5**	**84.4**	**100.3**	**96.9**

CONTINGENT LIABILITIES

EUR million	31.3.2009	31.3.2008	31.12.2008
Mortgages			
On own behalf	0.2	0.2	0.2
Guarantees			
On own behalf	0.4	1.4	0.8
On behalf of others	0.1	0.3	0.1
Lease obligations	18.2	17.5	19.3
Repurchase obligations	0.4	2.7	0.5
Other obligation on own behalf	0.2	0.3	0.3
Capital commitments in relation to interests in joint ventures	1.0	-	-

A customer of the US subsidiary Glaston USA, Inc. had made a claim of approximately USD 22 million due to a sale of a machine in 2004. The arbitration proceeding initiated by the customer against the US subsidiary Glaston USA, Inc. has been concluded in April. Majority of the customer’s claim were denied. The matter has no effect on Glaston's 2009 result, but the compensation to be paid by Glaston will affect Glaston’s cash flow.

The Group recognized a tax refund of approximately EUR 2 million in 2006 after having received an affirmative decision according to which the expenses arising from the management incentive scheme of the Group are deductible in taxation. The tax authorities of the Tax Office for Major Corporations appealed against the decision to the Administrative Court of Helsinki. Administrative Court of Helsinki decided the case on Glaston's favour in January 2009. The decision was subject to appeal until late March 2009.

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	**31.3.2009**		**31.3.2008**		**31.12.2008**	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Currency derivatives						
Currency forwards	5.8	0.0	13.6	0.6	6.2	-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.

RELATED PARTY TRANSACTIONS

Glaston Group's related parties include the parent, subsidiaries, associates and joint ventures. Related parties also include the members of the Board of Directors and the Group's Executive Management Group, the CEO and their family members.

Glaston follows the same commercial terms in transactions with associates and joint ventures and other related parties as with third parties.

During the review period Glaston's related party transactions included sales to joint ventures. In addition, the Group has leased premises from companies owned by individuals belonging to the management. The lease payments were in January – March EUR 0.2 (0.2) million.

During the review period there were no related party transactions whose terms would differ from the terms in transactions with third parties.

Transactions with joint ventures and associates

In January – March 2009 or 2008 Glaston had no material transactions with the joint venture. Glaston did not have transactions with the associate.

EUR million	**1-3/ 2009**	**1-3/ 2008**	**1-12/ 2008**
Sales to joint ventures	-	-	0.0

	1-3/ 2009	**1-3/ 2008**	**1-12/ 2008**
Receivables from joint ventures			
Current receivables	-	-	0.0
Non-current loan receivables	1.7	-	-
Loan receivables	5.4	-	-