Glaston Interim Report 1 January – 30 June 2010

- Orders received in January-June totalled EUR 69.6 (72.3) million.
- Glaston's order book on 30 June 2010 stood at EUR 30.2 (37.1) million.
- Consolidated net sales in January-June totalled EUR 79.9 (84.4) million.
- The operating result in January-June was a loss of EUR 4.5 (19.5 loss) million, i.e. -5.6 (-23.1)% of net sales.
- Return on capital employed (ROCE) was -7.3 (-19.7)*%.*
- January-June earnings per share were EUR -0.10 (-0.23).
- In 2010, the net sales is expected to be at the 2009 level (the earlier estimate: the net sales at least at the 2009 level). The operating result is expected to improve significantly in comparison to last year.

President & CEO Arto Metsänen:

The cautious recovery of the market continued in the second quarter of the year, in particular in Asia and South America. In Europe and North America, in the traditional main markets for Glaston, the market remains subdued and recovery is slower than expected.

Positive development in Asia continued. Pre-processing machines were launched in the Asian market in the spring and were well received and the Heat Treatment orders received in the second quarter came mainly from China. We expect the sales to develop positively during the rest of the year, too.

Published efficiency measures have proceeded on schedule, and most of them were completed in the first half of the year. Profitability improvements continue. As demand is still weak in the EMEA region, production adjustments in Italy and Finland continue through temporary lay-offs. The sales organisation structure will be streamlined as well.

Markets
The positive development of the Glaston market continued in China and South America in the second quarter. The subtle pick-up in the European economy in the second quarter did not show in the glass processing machinery market. In North America, demand continued to be low. The cautious recovery of the solar energy glass demand continued in the second quarter.

Machines
In the second quarter, the demand in Europe and North America continued to be weak. However, towards the end of the review period, the North American market showed positive signs of increased customer activity. In Europe, the customers' willingness to invest was still modest. This led to the postponement of any major investment decisions, which influenced the number of new orders for Heat Treatment machines, in particular.

Positive development in the South American market continued. The new flat tempering machine, Tamglass Power Control, was launched and well received on the Glass South America fair. The fair boosted tool sales as well.

In Asia, demand continued to improve in the second quarter. In China, the main event of the review period was the China Glass fair, organised in Beijing in June, where the Pre-processing product line launched two new cutting lines: the Bavelloni Dragon cutting line, aimed in particular for the Chinese market, and in the lower price range, the Bavelloni ProCut cutting line. The Indian market started to pick up in the second quarter which was reflected in increased customer contacts.

To improve sales efficiency in the EMEA area, the sales organisation was reorganised during the review period. Instead of the earlier geographical division, the new structure in the EMEA sales organisation is based on product lines (Heat Treatment, Pre-processing, Tools).

The development of global sourcing continued and the sourcing organisation in China was further strengthened.

In January-June, the Machines segment's net sales totalled EUR 52.9 (53.4) million.

Services
Recovery continued in the Services segment market in the second quarter, with North Asia propelling the growth. A few fairly notable upgrade product deals were closed both in North America and in the Pacific area during the second quarter. In the EMEA area, demand for spare parts picked up in the review period.

In the review period, the Services segment launched a new affordable upgrade package for control systems, which got a positive response in the market. Demand grew in upgrade products related to the quality control of end products as well. Other new products included automatic malfunction notifications via e-mail and SMS, a blower monitoring devise and the new Vortex ProTM convection control system enabling increased capacity and improved glass quality.

In January-June, the Services segment's net sales totalled EUR 15.5 (20.4, including EUR 2.4 million of Tamglass Glass Processing sales) million.

Software Solutions
In the second quarter, the Software Solutions segment market was stable. In Europe, demand picked up during the quarter and in the Asian and South American markets positive development continued.

Both the order book and the orders received are at the level of the same period in the previous year. The measures for improving sales are continued.

In January-June, the Software Solutions segment's net sales totalled EUR 12.0 (11.8) million.

Orders received
Glaston's orders received during the first six months of the year totalled EUR 69.6 (72.3) million. Of orders received, the Machines segment accounted for 63%, Software Solutions for 16% and Services for 20%.

Order book
Glaston's order book on 30 June 2010 was EUR 30.2 (37.1) million. Of the order book, the Machines segment accounted for EUR 25.6 million, Services for EUR 0.9 million and Software Solutions for EUR 3.7 million.

Order book, EUR million	30 June 2010	30 June 2009
Machines	25.6	30.8
Services	0.9	2.3
Software Solutions	3.7	4.0
Total	**30.2**	**37.1**

Net sales and operating result

Net sales for the review period were EUR 79.9 (84.4) million. Of net sales in the first half of the year, the Machines segment accounted for EUR 52.9 (53.4) million, Services for EUR 15.5 (20.4 in 2009, of which Tamglass Glass Processing accounted for EUR 4.2 million) million and Software Solutions for EUR 12.0 (11.8) million.

Net sales, EUR million	1-6/2010	1-6/2009	1-12/2009
Machines	52.9	53.4	92.5
Services	15.5	20.4	37.7
Software Solutions	12.0	11.8	23.9
Parent company, elim.	-0.4	-1.2	-2.4
Total	**79.9**	**84.4**	**151.8**

Net sales in the second quarter were EUR 41.5 (45.2) million, of which the Machines segment accounted for EUR 28.5 (29.8) million, Services for EUR 7.3 (9.7) million and Software Solutions for EUR 6.0 (5.9) million.

The operating result in January-June was a loss of EUR 4.5 (19.5 loss) million, i.e. -5.6 (-23.1)% of net sales. The improvement in the operating result was mainly achieved through implemented cost savings. The operating result of the comparison year includes EUR 4.3 million of non-recurring items. Of the operating result in the first half of the year (excluding non-recurring items), the Machines segment accounted for EUR -3.2 (-9.9) million and Services for EUR 1.5 (-1.9) million. The 2010 figure for the Services segment is affected by the operating loss from Tamglass Glass Processing, EUR 0.5 million, and the 2009 figure by a loss of EUR 2.6 million. The Software Solutions segment operating profit was EUR 1.2 (0.1) million.

The operating result for the second quarter was a loss of EUR 2.8 (10.5 loss) million. The figure for the second quarter of 2009 includes non-recurring items amounting to EUR -4.3 million. Of the second quarter operating result (excluding non-recurring items), the Machines segment accounted for EUR -1.7 (-4.6) million, Services for EUR 0.5 (-0.2) million and Software Solutions for EUR 0.5 (0.5) million.

The result for the review period was a loss of EUR 7.8 (18.1 loss) million and for the second quarter a loss of EUR 3.4 (10.0 loss) million. Return on capital employed was EUR -7.3 (-19.7)% and earnings per share were EUR -0.10 (-0.23). For the second quarter, the earnings per share were EUR -0.04 (-0.13).

Statement of financial position, cash flow and financing

At the end of the review period, the Group's statement of financial position totalled EUR 224.5 (263.9) million. The equity attributable to the owners of the parent was EUR 63.7 (105.0) million, i.e. EUR 0.81 (1.34) per share. The equity ratio on 30 June 2010 was 30.8 (41.9)%.

Return on equity in January-June was -23.3 (-31.6)%.

Cash flow from operating activities, excluding the change in working capital, was negative, EUR -8.7 (-17.6) million, in the review period. The most significant reasons for the negative cash flow from operating activities, excluding the change in working capital, were the settling of provisions recognised in 2009 and financial items, such as the payment of convertible bond interest. The change in working capital was EUR -5.5 (15.2) million. Cash flow from investments was EUR -1.4 (-5.4) million. Cash flow from financing activities in January-June was EUR 10.8 (17.6) million.

The Group's financial position remained reasonable. A EUR 6.3 million convertible bond issued in February influenced the Group's financial position. The terms of the convertible bond are similar to those of the convertible bond issued in June 2009.

The Group's liquid funds at the end of the review period totalled EUR 14.8 (21.4) million. Interest-bearing net debt totalled EUR 74.0 (63.9) million and net gearing was 115.4 (60.6)%. In liquidity management Glaston mainly utilises a committed revolving credit facility. The size of the revolving credit facility is EUR 74 million, of which approximately EUR 47 million was in use at the end of June.

Efficiency programme

The efficiency improvement measures started in 2008 and the extensive efficiency programme launched in October 2009 for reorganising operations were completed for the most part during the first half of 2010. In the second half of the year, the measures for adjusting production capacity in line with demand in Finland and Italy will continue. The project to simplify the sales organisation structure will also be continued.

Capital expenditure, depreciation and amortisation

Glaston's gross capital expenditure totalled EUR 2.1 (6.2) million. In the review period, there were no significant individual investments.

In the review period, depreciation, amortisation and impairment losses of intangible assets and property, plant and equipment totalled EUR 4.0 (5.2) million.

Organisation and personnel

Tapio Engström was appointed Glaston's Chief Financial Officer as of 1 July 2010 and Pekka Huuhka was appointed Senior Vice President, Supply Chain as of 1 August 2010.

On 30 June 2010, Glaston Corporation had a total of 1,032 (1,331) employees. Of the Group's employees, 18% worked in Finland and 50% elsewhere in the EMEA area, 19% in Asia and 13% in the Americas. The average number of employees was 1,065 (1,453).

Shares and share prices

Glaston Corporation's paid and registered share capital on 30 June 2010 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 June, the company held 838,582 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 134,173.

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 30 June 2010, the market capitalisation of the company's shares, treasury shares excluded, was EUR 98.9 (83.2) million. During the first six months of the year, a total of around 8.1 million of the company's shares were traded, i.e. around 10% of the average number of shares. The lowest price paid for a share was EUR 1.05 and the highest price EUR 1.65. The weighted average price of shares traded during January-June was EUR 1.27. The closing price on 30 June 2010 was EUR 1.26.

Share based incentive scheme
The Board of Directors made a decision about a new share based incentive scheme for the management on 9 June 2010. The scheme consists of one earning period, comprised of the years 2010 and 2011, and the earning criterion is the development of operating profit. The reward, if any, will be paid after the results for 2011 are published in spring 2012.

Through the scheme, approximately 2.5 million Glaston shares (at maximum) can be distributed. Any income taxes and other statutory fees incurred by the reward payment will be deducted from the gross share amount before distribution of the shares.

In the earning period, the target group of the scheme can contain 11 persons at maximum.

Events after the review period
Tapani Lankinen has been appointed Glaston's Senior Vice President, Human Resources as of 1 October 2010.

Decisions of the Annual General Meeting
The Annual General Meeting of Glaston Corporation was held in Helsinki on 13 April 2010. The Annual General Meeting approved the financial statements and consolidated financial statements for 2009 and discharged the Board of Directors and the President & CEO from liability for the financial year 1 January-31 December 2009.

The Annual General Meeting approved the proposal of the Board of Directors that no dividend be distributed for the financial year 2009.

The Annual General Meeting confirmed the re-election of the following members of 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. In addition, Teuvo Salminen was elected as a new member of the Board.

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 annual remuneration of the other Members of the Board at EUR 20,000.

The Annual General Meeting elected as auditor Public Accountants Ernst & Young Oy, the responsible auditor being Authorised Public Accountant Harri Pärssinen.

The Annual General Meeting approved an amendment to Article 11 of the Articles of Association that the notice to attend a General Meeting be published no later than three weeks prior to the General Meeting, however at the latest nine days before the record date of the General Meeting.

Authorisations given by 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 6,800,000 new shares and on the conveyance of a maximum of 6,800,000 own shares held

by the company. However, the total number of shares to be issued and/or conveyed may not exceed 6,800,000 shares. The new shares may be issued and own shares held by the company may be 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 are 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 financial reason for the company to do so, taking the interests of all shareholders into account.

The Board of Directors may decide on a share issue without payment also to the company itself. A decision regarding a share issue to the company itself cannot be made such that the total number of shares held jointly by the company or its subsidiaries would exceed one tenth of all 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 share issue authorisation is valid until the end of the 2012 Annual General Meeting.

The Board of Directors has no other authorisations.

Organising meeting of the Board of Directors
At its organising meeting on 13 April 2010, the Board of Directors elected Andreas Tallberg to continue as the Chairman of the Board and Christer Sumelius to continue as the Deputy Chairman of the Board.

Uncertainties in the near future
Despite the cautious recovery of the world economy, there are still uncertainties in relation to Glaston’s development in the near future. Glaston’s main markets (EMEA, North America) are still subdued and contracted markets have also led to an oversupply of customers’ production capacity.

Despite the gradual pick-up in the economy, difficulties related to customers’ financing arrangements limit investment opportunities. This affects major machinery investments in particular, and orders may be postponed further and those already confirmed may be cancelled. Customers’ financial situations also impact the collection of receivables and credit losses.

If the recovery of the sector is delayed, it is possible that Glaston’s recoverable amounts will, despite the savings arising from efficiency measures, 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.

Outlook
A modest recovery in Glaston’s market is expected during 2010. We expect the positive

development to continue in Asia, particularly in the Chinese market. We also expect that in South America demand remains good. Despite the subtle pick-up in the European economy, the glass processing machinery market is still subdued except for a few country-specific exceptions.

In 2010, the priority for developing operations is improving profitability. The cornerstones of Glaston's operations remain the architectural glass segment and the solar energy market. We will continue to purposefully strengthen our position in China and elsewhere in Asia.

The published efficiency measures proceeds as planned. We expect that 2010 net sales will be at the 2009 level (the earlier estimate: the net sales at least at the 2009 level) and that the operating result will significantly improve.

Helsinki, 24 August 2010

Glaston Corporation
Board of Directors

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Glaston Corporation

Glaston Corporation is an 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 NASDAQ OMX Helsinki Mid Cap List.

www.glaston.net

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GLASTON CORPORATION

CONDENSED FINANCIAL STATEMENTS AND NOTES 1 JANUARY - 30 JUNE 2010

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	30.6.2010	30.6.2009	31.12.2009
Assets			
Non-current assets			
Goodwill	58.4	66.2	58.4
Other intangible assets	19.3	23.6	19.7
Property, plant and equipment	23.1	28.5	24.7
Investments in joint ventures and associates	0.0	1.4	0.4
Available-for-sale assets	0.3	0.3	0.3
Loan receivables	4.2	5.4	5.9
Deferred tax assets	9.0	9.8	8.5
Total non-current assets	**114.3**	**135.2**	**117.9**
Current assets			
Inventories	37.2	41.3	37.4
Receivables			
Trade and other receivables	54.5	62.1	52.2
Assets for current tax	3.8	4.0	3.6
Total receivables	58.2	66.1	55.8
Cash equivalents	14.8	21.4	15.6
Total current assets	**110.2**	**128.7**	**108.8**
Total assets	**224.5**	**263.9**	**226.7**

	30.6.2010	30.6.2009	31.12.2009
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	0.0	0.0
Reserve for invested unrestricted equity	0.2	0.2	0.2
Treasury shares	-3.5	-3.5	-3.5
Fair value reserve	0.0	0.0	0.0
Retained earnings and exchange differences	36.8	88.4	87.9
Net result attributable to owners of the parent	-7.8	-18.1	-53.6
Equity attributable to owners of the parent	**63.7**	**105.0**	**69.0**
Non-controlling interest	**0.4**	**0.4**	**0.3**
Total equity	**64.1**	**105.4**	**69.4**
Non-current liabilities			
Convertible bond	25.7	19.8	20.1
Non-current interest-bearing liabilities	4.2	13.1	4.7
Non-current interest-free liabilities and provisions	5.6	7.4	7.3

Deferred tax liabilities	5.0	8.7	6.6
Total non-current liabilities	**40.5**	**49.0**	**38.8**
Current liabilities			
Current interest-bearing liabilities	58.8	52.3	54.4
Current provisions	5.7	6.2	9.8
Trade and other payables	52.5	49.9	53.2
Liabilities for current tax	2.9	1.1	1.0
Total current liabilities	**119.8**	**109.5**	**118.5**
Total liabilities	**160.4**	**158.5**	**157.3**
Total equity and liabilities	**224.5**	**263.9**	**226.7**

CONDENSED CONSOLIDATED INCOME STATEMENT

EUR million	4-6/ 2010	4-6/ 2009	1-6/ 2010	1-6/ 2009	1-12/ 2009
Net sales	**41.5**	**45.2**	**79.9**	**84.4**	**151.8**
Other operating income	0.2	0.1	0.3	0.5	1.1
Expenses	-42.5	-52.8	-80.3	-98.8	-185.8
Share of associates and joint ventures' result	-	-0.4	-0.5	-0.4	-1.5
Depreciation. amortization and impairment	-2.1	-2.6	-4.0	-5.2	-20.9
Operating profit / loss	**-2.8**	**-10.5**	**-4.5**	**-19.5**	**-55.3**
Financial items. net	0.1	-0.7	-3.1	-0.8	-2.3
Result before income taxes	**-2.8**	**-11.3**	**-7.6**	**-20.3**	**-57.6**
Income taxes	-0.6	1.2	-0.2	2.1	4.0
Profit / loss for the period	**-3.4**	**-10.0**	**-7.8**	**-18.1**	**-53.6**
Attributable to:					
Owners of the parent	-3.4	-10.0	-7.8	-18.1	-53.6
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
Total	**-3.4**	**-10.0**	**-7.8**	**-18.1**	**-53.6**
Earnings per share, EUR, basic	**-0.04**	**-0.13**	**-0.10**	**-0.23**	**-0.68**
Earnings per share, EUR, diluted	**-0.04**	**-0.13**	**-0.10**	**-0.23**	**-0.68**
Operating profit / loss, as % of net sales	-6.8	-23.3	-5.6	-23.1	-36.4
Profit / loss for the period, as % of net sales	-8.2	-22.2	-9.7	-21.4	-35.3
Non-recurring items included in operating profit / loss	-	-4.3	-	-4.3	-21.6
Operating profit / loss, non-recurring items excluded	-2.8	-6.2	-4.5	-15.2	-33.6
Operating profit / loss, non-recurring items excluded, as % of net sales	-8.2	-13.7	-9.7	-18.0	-22.2

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CONSOLIDATED STATEMENT OF COMPEREHENSIVE INCOME

	4-6/ 2010	4-6/ 2009	1-6/ 2010	1-6/ 2009	1-12/ 2009
Profit / loss for the period	**-3.4**	**-10.0**	**-7.8**	**-18.1**	**-53.6**
Other comprehensive income					
Total exchange differences on translating foreign operations	1.1	-0.8	1.8	-0.1	-0.7
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 for the reporting period, net of tax	**1.1**	**-0.8**	**1.8**	**-0.1**	**-0.7**
Total comprehensive income for the reporting period	**-2.3**	**-10.8**	**-6.0**	**-18.2**	**-54.4**
Attributable to					
Owners of the parent	-2.4	-10.8	-6.1	-18.2	-54.3
Non-controlling interest	0.1	0.0	0.1	0.0	0.0
Total comprehensive income for the reporting period	**-2.3**	**-10.8**	**-6.0**	**-18.2**	**-54.4**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1-6/2010	1-6/2009	1-12/2009
Cash flows from operating activities			
Cash flow before change in net working capital	-8.7	-17.6	-29.8
Change in net working capital	-5.5	15.2	28.6
Net cash flow from operating activities	**-14.2**	**-2.4**	**-1.2**
Cash flow from investing activities			
Business combinations	0.0	-0.5	-0.5
Other purchases of non-current assets	-1.9	-4.5	-6.5
Investment in joint ventures	-0.2	-1.8	-2.0
Proceeds from sale of joint ventures	0.4	-	-
Other	-	0.1	0.1
Proceeds from sale of other non-current assets	0.4	1.2	1.4
Net cash flow from investing activities	**-1.4**	**-5.4**	**-7.5**
Cash flow before financing	**-15.6**	**-7.8**	**-8.7**
Cash flow from financing activities			
Increase in non-current liabilities	6.2	23.8	23.8
Decrease in non-current liabilities	-0.5	-2.7	-11.9
Changes in short-term liabilities (increase + / decrease -)	3.8	-0.8	3.2
Dividends paid	-	-3.9	-3.9
Other financing	1.4	1.2	1.2
Net cash flow from financing activities	**10.8**	**17.6**	**12.3**
Effect of exchange rate changes	**4.0**	**0.1**	**0.4**
Net change in cash and cash equivalents	**-0.8**	**9.8**	**4.0**
Cash and cash equivalents at the beginning of period	15.6	11.5	11.5

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Cash and cash equivalents at the end of period	14.8	21.4	15.6
Net change in cash and cash equivalents	**-0.8**	**9.8**	**4.0**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	**Share capital**	**Share premium account**	**Other reserves**	**Reserve for invested unrest. equity**	**Treasury shares**	**Fair value reserve**
Equity at 1 January, 2009	**12.7**	**25.3**	**-**	**0.2**	**-3.5**	**0.0**
Total comprehensive income for the period	-	-	-	-	-	0.0
Other changes	-	-	0.0	-	-	-
Other changes in treasury shares	-	-	-	0.0	0.0	-
Equity at 30 June, 2009	**12.7**	**25.3**	**0.0**	**0.2**	**-3.5**	**0.0**

	Share capital	**Share premium account**	**Other reserves**	**Reserve for invested unrest. equity**	**Treasury shares**	**Fair value reserve**
Equity at 1 January, 2010	**12.7**	**25.3**	**0.0**	**0.2**	**-3.5**	**0.0**
Total comprehensive income for the period	-	-	-	-	-	0.0
Equity at 30 June, 2010	**12.7**	**25.3**	**0.0**	**0.2**	**-3.5**	**0.0**

	Retained earnings	**Exchange diff.**	**Equity attributable to owners of the parent**	**Non-controlling interest**	**Total equity**
Equity at 1 January, 2009	**89.6**	**-0.5**	**123.7**	**0.1**	**123.8**
Total comprehensive income for the period	-18.1	-0.1	-18.2	0.0	-18.2
Other changes in non-controlling interest	-	-	-	0.4	0.4
Other changes	0.0	-	0.0	-	0.0
Share-based incentive plan	0.0	-	0.0	-	0.0
Share-based incentive plan, tax effect	0.0	-	0.0	-	0.0
Equity part of convertible bond	3.4	-	3.4	-	3.4
Dividends paid	-3.9	-	-3.9	-	-3.9
Equity at 30 June, 2009	**71.0**	**-0.7**	**105.0**	**0.4**	**105.4**

EUR million	Retained earnings	Exchange diff.	Equity attributable to owners of the parent	Non-controlling interest	Total equity
Equity at 1 January, 2010	**35.6**	**-1.3**	**69.0**	**0.3**	**69.4**
Total comprehensive income for the period	-7.8	1.7	-6.1	0.1	-6.0
Share-based incentive plan	0.0	-	0.0	-	0.0
Share-based incentive plan, tax effect	0.0	-	0.0	-	0.0
Equity part of convertible bond	0.8	-	0.8	-	0.8
Equity at 30 June, 2010	**28.6**	**0.4**	**63.7**	**0.4**	**64.1**

KEY RATIOS

	30.6.2010	30.6.2009	31.12.2009
EBITDA, as % of net sales (1	-0.7	-16.9	-22.7
Operating profit / loss (EBIT), as % of net sales	-5.6	-23.1	-36.4
Net result, as % of net sales	-9.7	-21.4	-35.3
Gross capital expenditure, EUR million	2.1	6.2	8.5
Gross capital expenditure, as % of net sales	2.6	7.3	5.6
Equity ratio, %	30.8	41.9	33.1
Gearing, %	138.4	80.9	114.3
Net gearing, %	115.4	60.6	91.9
Net interest-bearing debt, EUR million	74.0	63.9	63.7
Capital employed, end of period, EUR million	152.9	190.7	148.6
Return on equity, %, annualized	-23.3	-31.6	-55.5
Return on capital employed, %, annualized	-7.3	-19.7	-32.1
Number of personnel, average	1,065	1,453	1,344
Number of personnel, end of period	1,032	1,331	1,160

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

PER SHARE DATA

	30.6.2010	30.6.2009	31.12.2009
Number of shares, end of period, treasury shares excluded (1,000)	78,511	78,511	78,511
Number of shares, average, treasury shares excluded (1,000)	78,511	78,533	78,522
Number of shares, dilution effect of the convertible bond taken into account,	100,127	81,379	89,143

average, treasury shares excluded (1,000)

EPS, basic, EUR	-0.10	-0.23	-0.68
EPS, diluted, EUR	-0.10	-0.23	-0.68
Equity attributable to owners of the parent per share, EUR	0.81	1.34	0.88
Price per earnings per share (P/E) ratio	-12.7	-4.6	-1.6
Price per equity attributable to owners of the parent per share	1.55	0.79	1.23
Market capitalization, EUR million	98.9	83.2	84.8
Share turnover, % (number of shares traded, % of the average number of shares)	10.4	5.0	9.0
Number of shares traded, (1,000)	8,131	3,921	7,033
Closing price of the share, EUR	1.26	1.06	1.08
Highest quoted price, EUR	1.65	1.44	1.44
Lowest quoted price, EUR	1.05	0.92	0.92
Volume-weighted average quoted price, EUR	1.27	1.18	1.18

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

Diluted earnings per share = Net result attributable to owners of the parent adjusted with the result effect of convertible bond / Adjusted average number of shares, dilution effect of the convertible bond taken into account

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

ACCOUNTING POLICIES

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 by Glaston in its consolidated financial statements as at and for the year ended 31 December, 2009, with the exception of the following new or revised or amended standards and interpretations which have been applied from 1 January, 2010:

- IFRS 3 (revised) Business Combinations
- Amendments to IAS 27 Consolidated and Separate Financial Statements.
- IFRS 2 Share-based Payments – Group Cash-settled Share-based Payment Transactions

In addition, Glaston applies the annual Improvements to IFRSs issued in April 2009.

In accordance with the revised IFRS 3 standard all acquisition-related costs arising from the business combinations made after 1 January 2010 are recognized in profit or loss and not capitalized as a part of the purchase consideration, as previously were done. In addition, all consideration transferred in the business combination are measured at the acquisition-date fair value, and liabilities classified as contingent consideration are subsequently measured at fair value with any resulting gain or loss recognized in profit or loss. For each business combination it is possible to choose, whether the non-controlling interest is measured at fair value or as the non-controlling interest’s proportionate share of the acquiree’s net assets. This choice has an effect on the goodwill arising from the business combination.

In accordance with the revised IAS 27 standard, the effects of the transactions made with non-controlling interests are recognized in equity, if there is no change in control. These transactions do not result in goodwill or gains or losses. If the control is lost, the possible remaining ownership share is measured at fair value and the resulting gain or loss is recognized in profit or loss. Also, in accordance with the revised standard, total comprehensive income is attributed also to non-controlling interest even if this would result in the non-controlling interest having a deficit balance.

The change of IAS 36 Impairment of Assets included in the annual improvements of IFRSs changes the allocation of goodwill in Glaston. Goodwill has been allocated to reportable segments aggregated from operating segments. According to the change in the standard, the unit to which the goodwill can be allocated cannot be larger than an operating segment before it is aggregated to be a part of a reportable segment.

Other new or amended standards or interpretations applicable from 1 January, 2010 are not material for Glaston Group.

DIVESTMENTS

Glaston’s joint venture, the glass processing company INTERPANE Glass Oy, was sold to Rakla Finland Oy on 9 April, 2010.

INTERPANE Glass Oy began its operations on 1st April, 2009 and was owned jointly by A A A Glass & Design Finland Oy and a subsidiary of Glaston Corporation. The shareholders of INTERPANE Glass agreed on rearranging their ownership, and as a result of the agreement 100 percent of the shares in INTERPANE Glass Oy were sold to Rakla Finland Oy. After the rearrangement transaction, Glaston still holds a EUR 4 million secured loan receivable in INTERPANE Glass Oy.

The result effect of the rearrangement transaction, approximately EUR -2.7 million, was recognized in Glaston’s first quarter result in financial expenses, thus the rearrangement transaction has no effect on Glaston’s operating result.

SEGMENT INFORMATION

The reportable segments of Glaston are Machines, Services and Software Solutions. The reportable segments apply Glaston Group's accounting and measurement principles. Glaston follows the same commercial terms in transactions between segments as with third parties.

The reportable segments consist of operating segments, which have been aggregated in accordance with the criteria of IFRS 8.12. Operating segments have been aggregated, when the nature of the products and services is similar, the nature of the production process is similar, as well as the type or class of customers. Also the methods to distribute products or to provide services are similar.
The reportable Machines segment consists of Glaston's operating segments manufacturing glass processing machines and related tools. The Machines segment includes manufacturing and sale of glass tempering, bending and laminating machines sold under Tamglass and Uniglass brands, glass pre-processing machines sold under the Bavelloni brand as well as manufacturing and sale of tools. The sale of tools was transferred to Machines segment from Services segment during the first quarter. Comparison information has been restated accordingly.

Services segment includes maintenance and service of glass processing machines, machine upgrades and sale of spare parts. Services segment also provided service to a customer by operating of glass processing factory in

Akaa, Finland, on behalf of the customer. Glaston has decided to cease the operations at the glass processing factory.

Software Solutions segment’s product offering, sold under the Albat+Wirsam brand, covers enterprise resource planning systems for the glass industry, software for window and door glass manufacturers, and software for glass processor’s integrated line solutions.

The unallocated operating result consists of head office operations of the Group and unallocated share of joint venture's result.

Machines

EUR million	**4-6/ 2010**	**4-6/ 2009**	**1-6/ 2010**	**1-6/ 2009**	**1-12/ 2009**
External sales	28,5	30,1	52,9	53,0	92,0
Intersegment sales	0,0	-0,3	0,0	0,4	0,6
Net sales	**28,5**	**29,8**	**52,9**	**53,4**	**92,5**
EBIT excluding non-recurring items	**-1,7**	**-4,6**	**-3,2**	**-9,9**	**-22,4**
EBIT-%, excl. non-recurring items	-5,9	-15,4	-6,0	-18,5	-24,2
Non-recurring items	-	-3,8	-	-3,8	-15,9
EBIT	**-1,7**	**-8,4**	**-3,2**	**-13,6**	**-38,3**
EBIT-%	-5,9	-28,1	-6,0	-25,6	-41,4
Net working capital			35,5	50,4	34,4
Number of personnel, average			637	832	778
Number of personnel, end of period			619	768	688

Services

EUR million	**4-6/ 2010**	**4-6/ 2009**	**1-6/ 2010**	**1-6/ 2009**	**1-12/ 2009**
External sales	7,0	9,2	15,0	19,6	35,9
Intersegment sales	0,2	0,6	0,4	0,8	1,9
Net sales	**7,3**	**9,7**	**15,5**	**20,4**	**37,7**
EBIT excluding non-recurring items	**0,5**	**-0,2**	**1,5**	**-1,9**	**-2,4**
EBIT-%, excl. non-recurring items	6,6	-1,7	9,5	-9,2	-6,4
Non-recurring items	-	-0,3	-	-0,3	-2,8
EBIT	**0,5**	**-0,4**	**1,5**	**-2,1**	**-5,2**
EBIT-%	6,6	-4,5	9,5	-10,5	-13,7
Net working capital			8,2	13,2	9,8
Number of personnel, average			183	335	291
Number of personnel, end of period			170	277	215

Software Solutions

EUR million	**4-6/ 2010**	**4-6/ 2009**	**1-6/ 2010**	**1-6/ 2009**	**1-12/ 2009**
External sales	6.0	5.9	12.0	11.8	23.9
Intersegment sales	0.0	0.0	0.0	0.0	0.0
Net sales	**6.0**	**5.9**	**12.0**	**11.8**	**23.9**
Share of associates' and joint ventures' results	-	-	-	-	0.0
EBIT excluding non-recurring items	**0.5**	**0.5**	**1.2**	**0.1**	**0.4**
EBIT-%, excl. non-recurring items	7.8	8.7	9.7	1.3	1.7

Non-recurring items	-	-0.3	-	-0.3	-1.7
EBIT	**0.5**	**0.2**	**1.2**	**-0.1**	**-1.3**
EBIT-%	7.8	4.1	9.7	-1.0	-5.5
Net working capital			6.7	6.3	5.8
Number of personnel, average			222	258	248
Number of personnel, end of period			220	258	234

Glaston Group

Net sales

EUR million	**4-6/ 2010**	**4-6/ 2009**	**1-6/ 2010**	**1-6/ 2009**	**1-12/ 2009**
Machines	28.5	29.8	52.9	53.4	92.5
Services	7.3	9.7	15.5	20.4	37.7
Software Solutions	6.0	5.9	12.0	11.8	23.9
Other and intersegment sales	-0.2	-0.2	-0.4	-1.2	-2.4
Glaston Group total	**41.5**	**45.2**	**79.9**	**84.4**	**151.8**

EBIT

EUR million	**4-6/ 2010**	**4-6/ 2009**	**1-6/ 2010**	**1-6/ 2009**	**1-12/ 2009**
Machines	-1.7	-4.6	-3.2	-9.9	-22.4
Services	0.5	-0.2	1.5	-1.9	-2.4
Software Solutions	0.5	0.5	1.2	0.1	0.4
Other and eliminations	-2.1	-1.9	-4.0	-3.6	-9.3
EBIT excluding non-recurring items	**-2.8**	**-6.2**	**-4.5**	**-15.2**	**-33.6**
Non-recurring items	-	-4.3	-	-4.3	-21.6
EBIT	**-2.8**	**-10.5**	**-4.5**	**-19.5**	**-55.3**
Net financial items	0.1	-0.7	-3.1	-0.8	-2.3
Result before income taxes and non-controlling interest	**-2.8**	**-11.3**	**-7.6**	**-20.3**	**-57.6**
Income taxes	-0.6	1.2	-0.2	2.1	4.0
Result	**-3.4**	**-10.0**	**-7.8**	**-18.1**	**-53.6**
Number of personnel, average			1,065	1,453	1,344
Number of personnel, end of period			1,032	1,331	1,160

Segment assets

EUR million	**30.06.2010**	**30.06.2009**	**31.12.2009**
Machines	62.9	67.2	58.0
Services	11.3	16.5	13.9
Software Solutions	7.1	7.0	6.5
Other	0.0	0.0	0.2
Total segment assets	**81.3**	**90.7**	**78.7**
Other assets	143.2	173.2	147.9
Total assets	**224.5**	**263.9**	**226.7**

Segment liabilities

EUR million	**30.06.2010**	**30.06.2009**	**31.12.2009**
Machines	27.4	16.8	23.7
Services	3.1	3.3	4.1
Software Solutions	0.4	0.8	0.7

Other	0.1	0.6	0.2
Total segment liabilities	**31.0**	**21.5**	**28.7**
Other liabilities	129.3	137.0	128.6
Total liabilities	**160.4**	**158.5**	**157.3**

Net working capital

EUR million	30.06.2010	30.06.2009	31.12.2009
Machines	35.5	50.4	34.4
Services	8.2	13.2	9.8
Software Solutions	6.7	6.3	5.8
Other	-0.1	-0.6	0.0
Total Glaston Group	**50.3**	**69.2**	**50.0**

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

Order intake relating to Software Solutions segment has been restated so that it currently includes, in addition to license orders, also the software maintenance order intake.

Order intake

EUR million	1-6/2010	1-6/2009	1-12/2009
Machines	44.1	45.7	98.8
Services	14.1	16.3	32.6
Software Solutions	11.4	10.3	20.2
Total Glaston Group	**69.6**	**72.3**	**151.5**

Net sales by geographical areas

EUR million	1-6/2010	1-6/2009	1-12/2009
EMEA	43.2	52.9	90.7
Asia	18.3	11.9	24.7
America	18.4	19.7	36.4
Total	**79.9**	**84.4**	**151.8**

QUARTERLY NET SALES, OPERATING RESULT AND ORDER BOOK

Machines

EUR million	4-6/ 2010	1-3/ 2010	10-12/ 2009	7-9/ 2009	4-6/ 2009	1-3/ 2009
External sales	28.5	24.3	21.8	17.2	30.1	22.8
Intersegment sales	0.0	0.0	0.1	0.0	-0.3	0.7
Net sales	**28.5**	**24.3**	**21.9**	**17.3**	**29.8**	**23.6**
Share of associates' and joint ventures' results	0.0	0.0	0.0	0.0	0.0	0.0
EBIT excluding non-recurring items	**-1.7**	**-1.5**	**-7.7**	**-4.9**	**-4.6**	**-5.3**
EBIT-%, excl. non-recurring items	-5.9	-6.1	-35.0	-28.2	-15.4	-22.3
Non-recurring items	-	-	-12.1	-	-3.8	-
EBIT	**-1.7**	**-1.5**	**-19.8**	**-4.9**	**-8.4**	**-5.3**
EBIT-%	-5.9	-6.1	-90.5	-28.2	-28.1	-22.3

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Services

EUR million	4-6/ 2010	1-3/ 2010	10-12/ 2009	7-9/ 2009	4-6/ 2009	1-3/ 2009
External sales	7.0	8.0	7.9	8.4	9.2	10.4
Intersegment sales	0.2	0.2	0.4	0.7	0.6	0.3
Net sales	**7.3**	**8.2**	**8.2**	**9.1**	**9.7**	**10.7**
EBIT excluding non-recurring items	**0.5**	**1.0**	**-0.5**	**-0.1**	**-0.2**	**-1.7**
EBIT-%, excl. non-recurring items	6.6	12.1	-5.5	-1.1	-1.7	-16.0
Non-recurring items	-	-	-2.5	-	-0.3	-
EBIT	**0.5**	**1.0**	**-2.9**	**-0.1**	**-0.4**	**-1.7**
EBIT-%	6.6	12.1	-35.6	-1.1	-4.5	-16.0

Software Solutions

EUR million	4-6/ 2010	1-3/ 2010	10-12/ 2009	7-9/ 2009	4-6/ 2009	1-3/ 2009
External sales	6.0	6.0	6.3	5.8	5.9	6.0
Intersegment sales	0.0	0.0	0.0	0.0	0.0	0.0
Net sales	**6.0**	**6.1**	**6.3**	**5.8**	**5.9**	**6.0**
Share of associates' and joint ventures' results	-	-	0.0	0.0	0.0	0.0
EBIT excluding non-recurring items	**0.5**	**0.7**	**-0.2**	**0.5**	**0.5**	**-0.4**
EBIT-%, excl. non-recurring items	7.8	11.7	-2.9	7.7	8.7	-6.0
Non-recurring items	-	-	-1.5	-	-0.3	-
EBIT	**0.5**	**0.7**	**-1.6**	**0.5**	**0.2**	**-0.4**
EBIT-%	7.8	11.7	-26.2	7.7	4.1	-6.0

Net sales

EUR million	4-6/ 2010	1-3/ 2010	10-12/ 2009	7-9/ 2009	4-6/ 2009	1-3/ 2009
Machines	28.5	24.3	21.9	17.3	29.8	23.6
Services	7.3	8.2	8.2	9.1	9.7	10.7
Software Solutions	6.0	6.1	6.3	5.8	5.9	6.0
Other and intersegment sales	-0.2	-0.2	-0.6	-0.7	-0.2	-1.0
Glaston Group total	**41.5**	**38.4**	**35.8**	**31.5**	**45.2**	**39.2**

EBIT

EUR million	4-6/ 2010	1-3/ 2010	10-12/ 2009	7-9/ 2009	4-6/ 2009	1-3/ 2009
Machines	-1.7	-1.5	-7.7	-4.9	-4.6	-5.3
Services	0.5	1.0	-0.5	-0.1	-0.2	-1.7
Software Solutions	0.5	0.7	-0.2	0.5	0.5	-0.4
Other and eliminations	-2.1	-1.9	-2.7	-2.9	-1.9	-1.6
EBIT excluding non-recurring items	**-2.8**	**-1.7**	**-11.0**	**-7.4**	**-6.2**	**-9.0**
Non-recurring items	-	-	-17.3	-	-4.3	-
EBIT	**-2.8**	**-1.7**	**-28.4**	**-7.4**	**-10.5**	**-9.0**

Order book

EUR million	30.6. 2010	31.3. 2010	31.12. 2009	30.9. 2009	30.6. 2009	31.3. 2009
Machines	25.6	32.4	39.8	35.8	30.8	38.2
Services	0.9	0.7	1.6	1.6	2.3	4.0
Software Solutions	3.7	3.8	4.1	3.5	4.0	3.7
Total Glaston Group	**30.2**	**36.9**	**45.5**	**40.9**	**37.1**	**45.9**

CONTINGENT LIABILITIES

EUR million	30.6.2010	30.6.2009	31.12.2009
Mortgages and pledges			
On own behalf	130.8	0.2	130.8
Guarantees			
On own behalf	0.5	0.7	0.6
On behalf of others	0.1	0.1	0.1
Lease obligations	12.1	16.4	13.4
Repurchase obligations	0.3	0.4	0.2
Other obligation on own behalf	0.0	0.1	-
Capital commitments in relation to interests in joint ventures	-	1.0	0.7

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	30.6.2010		30.6.2009		31.12.2009	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Currency derivatives						
Currency forwards	2.9	-0.2	2.1	0.1	2.6	-0.1
Commodity derivatives						
Electricity forwards	0.6	0.2	-	-	-	-

Derivative instruments are used only for hedging purposes. Nominal values of derivative instruments do not necessarily correspond with the actual cash flows between the counterparties and do not therefore give a fair view of the risk position of the Group. The fair values are based on market valuation on the date of reporting.

PROPERTY, PLANT AND EQUIPMENT

EUR million

Changes in property, plant and equipment	**1-6/2010**	**1-6/2009**	**1-12/2009**

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Carrying amount at beginning of the period	24.7	35.0	35.0
Additions	0.3	1.0	1.2
Disposals	-0.3	-5.4	-6.2
Depreciation and amortization	-1.8	-2.2	-4.1
Impairment losses and reversals of impairment losses	-0.2	-0.2	-1.2
Reclassification and other changes	-0.5	0.3	-0.1
Exchange differences	0.8	0.0	0.0
Carrying amount at end of the period	23.1	28.5	24.7

At the end of the review period, Glaston Group did not have contractual commitments to acquire property, plant and equipment.

SHAREHOLDER INFORMATION

Largest shareholders 30 June, 2010

	Shareholder	**Number of shares**	**% of shares and votes**
1	GWS Trade Oy	13 446 700	17.0
2	Oy G.W.Sohlberg Ab	12 819 400	16.2
3	Sumelius Birgit	3 644 200	4.6
4	Fondita Nordic Micro Cap Investment Fund	2 350 000	3.0
5	Oy Investsum Ab	1 820 000	2.3
6	Suutarinen Helena Estate	1 802 400	2.3
7	Von Christierson Charlie	1 600 000	2.0
8	Investment Fund Aktia Capital	1 484 650	1.9
9	Sumelius Bjarne Henning	1 254 840	1.6
10	Sumelius-Koljonen Barbro	1 206 875	1.5
11	Sumelius-Fogelholm Birgitta Christina	1 014 000	1.3
12	Evli Alexander Management Oy	838 582	1.1
13	Sumelius Bertil Christer	803 800	1.0
14	Huber Karin	800 800	1.0
15	Investment Fund Alfred Berg Small Cap Finland	700 000	0.9
16	Fontell Niilo Armas	640 700	0.8
17	Nordea Life Assurance Finland Ltd	635 207	0.8
18	Pihkala-Vlassis Anna Marja	615 520	0.8
19	Paloheimo Arvi Martin-Brand	510 000	0.6
20	Special Investment Fund EQ Pikkujättiläiset	500 000	0.6
Total 20 largest shareholders		48 487 674	61.4
Other shareholders		30 787 126	38.5
Not in the book-entry securities system (joint account)		75,200	0.1
Total		**79,350,000**	100.0
Treasury shares		-838,582	1.1
Total excluding treasury shares		**78,511,418**	

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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 leasing of premises to a joint venture. In addition, the Group has leased premises from companies owned by individuals belonging to the management. The lease payments were in January – June EUR 0.3(0.3) million.

During the review period there were no other related party transactions whose terms would differ from the terms in transactions with third parties than what has been described in section "Transactions with joint ventures and associates".

Share-based payments

The Board of Directors of Glaston Corporation decided in June, 2010, a new share-based incentive plan to form a part of the long-term incentive and commitment program for the top management of Glaston.

The share-based incentive plan offers the participants a possibility to earn Glaston's shares as remuneration for achieving established earning criteria. The plan has one earning period covering the years 2010 and 2011, and the earnings criteria is the development of the consolidated operating profit of Glaston. A possible award shall be paid after the release of the 2011 financial statements in spring 2012.

An aggregate gross maximum number of Glaston shares granted under the plan is approximately 2.5 million shares. Income taxes and other statutory costs arising from the award will be deducted from the gross number of shares before share delivery.

The expenses arising from Glaston's share-based incentive plans were EUR 0.1 (0.1) million during the review period.

Transactions with joint ventures and associates

Glaston had leased property to the joint venture during the review period.

The shares in INTERPANE Glass Oy were sold to Rakla Finland Oy on 9 April, 2010. As a part of the ownership arrangement, Glaston waived its rights to EUR 3.3 million of the loan granted to INTERPANE Glass Oy. The result effect of the waiver of the loan is included in the EUR 2.7 million financial expense booked from the arrangement in the first quarter.

Glaston did not have transactions with the associate.

Transactions with joint ventures and joint venture balances

INTERPANE Glass Oy was Glaston's joint venture during 31 March, 2009 – 9 April, 2010.

EUR million **Transcations**	**1-6/ 2010**	**1-6/ 2009**	**1-12/ 2009**
Sales to joint ventures	-	-	0.0
Other operating income from joint ventures	0.1	0.1	0.3
Interest income from joint ventures	0.1	0.1	0.3
Other financial expenses	-3.3	-	-

Receivables and liabilities	**1-6/ 2010**	**1-6/ 2009**	**1-12/ 2009**
Current receivables	-	0.4	1.2
Non-current loan receivables	-	5.4	5.9
Trade payables	-	0.0	0.1