

# **GWS**

## **Interim Report 2008**

### **Review by the Chief Executive**

In 2007 GWS sold its holding in the Perlos Corporation to Lite-On from Taiwan. This deal allowed us to begin the current year by analysing and evaluating possible acquisition targets. The GWS board has confirmed the strategy whereby the company will become an active owner in Finnish businesses. Accordingly, our long-range aim is to find new core interests for GWS to develop as a part of the Group.

GWS was offered the chance to buy a number of firms during the early months of the year. However, StaffPoint Oy, operating in the service sector, stood out from the pack. It is a leader in its sector. Moreover, its executive management wanted to continue its commitment to the company by becoming a major shareholder in conjunction with GWS and Varma. At present GWS owns two-thirds of the company. Despite an overall downward trend in the market, StaffPoint's strong cash flow and favourable prospects form a solid basis for the company's profitable growth. I would like to welcome all at StaffPoint to GWS.

The crisis we are currently experiencing in the financial sector and the slowdown in economic growth due to inflation quite naturally also have an effect on GWS. The share price of our associated company, the Glaston Corporation, has continued to fall during the present year, and there are signs of a softer market among the customers of our subsidiary, Detection Technology, Inc.

Our work at GWS is focused on supporting and developing the companies within our group. When the global economy, and also that of Finland, has stabilised, we can once more consider extending our portfolio. At present, however, we shall adhere to the old maxim *patience is virtue*.

Andreas Tallberg  
Chief Executive

### **Financial Review**

At the end of June 2008 the GWS Group comprised the parent company, the associated company, the Glaston Corporation, and the subsidiaries, GWS Staff Oy and Detection Technology, Inc. GWS held a 33.1 per cent stake in the Glaston Corporation, a 69.3 per cent stake in GWS Staff Oy and a 79.4 per cent stake in Detection Technology, Inc. at the end of June.

The profit information and outlook statements concerning the associated company, the Glaston Corporation, are based on stock exchange releases and interim reports issued by the company itself.

### **Associated Company the Glaston Corporation**

The turnover for the continuing operations of the Glaston Group grew by 10 per cent to EUR 135.7m (EUR 123.7m) for the period under review. Comparable consolidated operating came to EUR 5.4 m (EUR 5.5m) and net profit for the review period to EUR 3.7m (EUR 0.2m). Consolidated net profit is still greatly burdened by the heavy loss-making operating result of EUR -2.9m (EUR 0.1m) of the Heat Treatment unit, Tamglass Glass Processing Ltd, operating in Finland.

Glaston's financial position remains good. Group equity ratio stands at about 51 per cent (52 per cent). The order book at the end of June amounted to some EUR 99m (EUR 116m).

Glaston's Architectural Glass Segment and the burgeoning solar energy market create a firm basis for the company's growth. Growth continued in the architectural glass market in the first half year. The solar energy market also continued to be buoyant, but the purchasing decision lead times among customers have nevertheless become considerably longer. As a result, orders received were below the record-high level of the previous year's comparable figure.

The outlook for 2008 for Glaston's core activities continues to be reasonably positive with the exception of North America. The Glaston Group estimates that turnover and operating profit for the year will be at the level of 2007.

The GWS Group's six-month result includes the share of Glaston's profit after goodwill amortisation totalling EUR 0.0m (EUR -1.2m). Dividends paid out by Glaston to the GWS Group have amounted to some EUR 2.6m during 2008.

### **Subsidiary GWS Staff Oy**

GWS Staff Oy acquired the entire shareholding of StaffPoint Oy in May 2008. The company's main business is temporary personnel leasing. The GWS Group owns about two-thirds of the company. Other owners include the Varma Mutual Pension Insurance Company and the company's key staff.

Figures for the GWS Staff Group will be consolidated in the GWS Group from 1 July 2008.

### **Subsidiary Detection Technology, Inc.**

The turnover of Detection Technology, Inc. (DT) dropped slightly from that of the previous year, amounting to EUR 4.3m (EUR 4.5m) for the period under review. Operating profit also fell to EUR -0.5m (EUR -0.2m).

The company's turnover is expected to rise slightly on the previous year, but net profit is forecast to remain at a loss.

## **GWS Group**

The GWS Group's first-half result was unsatisfactory. The six-month result came to EUR -2.7m (EUR -20.1m). The GWS Group's financial result is most affected in its present corporate structure by the success of the associated company, the Glaston Corporation.

Detection Technology's six-month result, consolidated in GWS Group figures, amounted to EUR -1.5m (EUR -0.7m). DT's result includes foreign exchange paper losses of EUR -0.5m.

The Group's financial position is good. Interest-bearing net liabilities amounted to EUR 45.8m (EUR 112.0m) at the end of the review period, including the Detection Technology Group's debt. The GWS Group's official equity ratio is in the region of 53 per cent (30 per cent).

Ari Saarenmaa  
CFO

## **The GWS Group**

EUR m (unless otherwise indicated)	1-6/2008	1-6/2007	1-12/2007
Turnover	4.3	4.5	9.9
Share of profit of associated companies	-0.0	-16.8	-15.0
Operating profit	-1.1	-17.8	21.8
Net profit	-2.7	-19.9	17.2
Equity ratio	% 53.1	30.0	49.0
Shareholders' equity	84.1	52.7	87.8
Interest-bearing net liabilities	45.8	112.0	33.9
Balance sheet total	161.0	166.1	179.7