FINANCIAL STATEMENTS MARCH 31, 2007

Cencorp Corp.
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Finland

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Review by the Board of Directors

As the shareholders´ equity of the parent company has decreased under 50% of the share capital, the Company is obligated to prepare financial statements from review period 1 January – 31 March 2007 as defined in the Companies Act 20:23.1§ and to convene an extraordinary shareholders meeting within three months from the date when financial statements are ready. The shareholders meeting will decide the actions to improve the company's financial situation.

Net sales and earnings performance

Net sales and earning figures in 2007 and 2006 are from period 1 January – 31 March.

The net sales in January – March totaled EUR 3.8 million (EUR 5.9 million) while operating profit amounted to EUR -1.0 million (EUR -1.2 million). The weak level of net sales was due market situation that formed tighter than expected. A considerable part of customers felt that the profitability of their own business had weakened and the resulting uncertainty got them to postpone planned investments. Thus the deliveries during the review period decreased clearly. Measures launched in 2006 decreased the group's fixed costs with more than EUR 1 million compared with the previous year. The Group's net financial items were EUR -0.3 (-0.2) million. Profit before taxes totaled EUR -1.3 (-1.4) million. The net profit for the period was EUR -1.3 (-1.5) million. Earnings per share were EUR -0.05 (-0.04).

Geographically, Cencorp's net sales for the review period were divided as follows: Europe 66% (2006 12 months: 40%), the Americas 19% (2006 12 months: 33%), and Asia and Australia 15% (2006 12 months: 27%).

Most of Cencorp's net sales were generated by a single business segment: the automation and testing business. The fibre laser business, which has been moves to Cencorp Corporation's subsidiary Singulase Corporation, did not generate any revenue in the three-month review period, as the company continues to focus in product development. Owing to external factors, product development has been delayed by more than one year. The operating profit of the automation and testing business amounted to EUR -0.9 (EUR -1.2) million, while earning before taxes stood at EUR -1.2 (EUR -1.4) million and net profit for the period at EUR -1.2 (EUR -1.4) million. Singulase Corporation's operating profit, profit before taxes and net profit for the period totaled EUR -0.1 (EUR -0.1) million.

Balance sheet and financing

The balance sheet figures at 31 March 2007 are compared to those at 31 December 2006.

The company's equity ratio dropped to 6.8% (2006: 12.7%, 2005; 27.5%). Return on equity was -67.9% (2006 -103.0% and 2005 34.4%). Share key indicators for the past five years are presented in the financial statements. At the end of the review period, the balance sheet total was EUR 19.6 (21.1) million. The company's cash flow after investments was EUR -0.1 (-2.6) million while the gross investments in January-March totalled EUR 0.05 (0.1) million and mainly came from product development. Accounts receivables decreased to EUR 4.6 (5.6) million. The inventories decreased to EUR 4.8 (5.2) million. The level of inventories was still too high in relation to the size of the business, and the goal for 2007 is to adjust the level to match operations.

Kiinteistö Oy Salon Ratakatu 10, a real estate company owned by Cencorp Corporation, sold its factory hall and the related land lease agreement in December 2006. The trade price was EUR 0.7 million. The assets (EUR 0.7 million) to be released will improve the company's financial position during the last quarter of the financial year. Since the real estate company's sole purpose was to administer the property traded, the company will be dissolved through liquidation, which was started on 1 March 2007.

The proportion of long-term loans of the liabilities was 57% (58%). Cencorp Corporation and Sampo Pankki Oyj agreed on EUR 1,500,000 financing arrangement. As part of the arrangement the board of Cencorp Corporation decided to issue 1,801,400 stock options to Sampo Pankki Oyj, on the basis of an authorization received at the Extraordinary General Meeting of Shareholders held on 8 September 2006. Stock options are marked by code 2007A and they entitle the holder to convert the stock options into 1,801,400 new shares. The subscription price is EUR 0.40. Share subscription period starts on February 6, 2007 and it ends on September 30, 2011. The concerned EUR 1.5 million factoring limit fell due on 30 April 2007 but it was re-negotiated. Non-current liabilities accounted for 3.8 (4.8) million of debt. As the working capital diminished, the company's financial position eased a little but Cencorp Corporation's financial situation remains tight. The company is carrying on with negotiations to strengthen its equity.

Customers and Cooperation agreements

Cencorp operates in the global market of production automation for the electronics and semiconductor industries. The company supplies production automation systems and testing equipment to the semiconductor, telecommunications, consumer electronics, industrial electronics and automotive electronics industries as well as to the electronics contract manufacturers. The sector consists mainly of relatively small manufacturers of Cencorp's size.

In Cencorp's sales organisation the amount of distributors increased in 2006 and their proportion is expected to increase further in year 2007.
Cencorp Corporation and Hungarian based Danutek Kft. signed on March 28, 2007 a Representative Agreement over Cencorp products for sales, marketing and after sales in Hungary, Romania and Bulgaria. Four Hungarian employees of Cencorp were transferred to Danutek and two employee agreements were terminated. After April 1, 2007 Cencorp

will not have any own employees in the territory. The co-operation between Cencorp and Danutek aims to offer better after sales service to customers as well as acquire new customers amongst OEM manufacturers and contract manufacturers in the territory. Furthermore, the cooperation enables offering of larger equipment systems to customers.

The contract is in accordance with Cencorp strategy: Cencorp's sales resources are strengthened in strategic areas through cooperation with distributors up to the standards of Cencorp's customers.

Danutek is a part of UK based Altus Group. Altus Group is Cencorp´s distributor also in UK and Ireland.

Research and development

R&D worked on diversifying the product applications for existing platforms and on enhancing the cost-effectiveness of production processes. Enhanced cost-effectiveness is sought from less expensive components, a more efficient production process and the utilization of more economical production technology. This work will continue and will be put into practice in 2007.

Cencorp continued to develop the implementation of the laser technology in different products. A joint development project with Phillips Lightning was launched last summer. The verification of the new "in-hole" process, based on lead free laser soldering and designes for the mounting of components with pins, is nearly completed. The objective of the process is to combine excellent solder quality, sufficient capacity and a nearly even PCB bottom compared to traditional soldering methods.

The development of Singulase products continues. The market launch of the fibre laser technology, in particular, has taken much longer than expected. To ensure the introduction of the products, Cencorp initiated development co-operation with other laser manufacturers and a Finnish research institution.

Cencorp Corporation's R&D expenses for January–March totalled 5.3% of net sales, or EUR 0.2 (2006: 0.2) million.

Personnel

During the review period Cencorp employed an average of 139 (205) people. The payroll at the end of the period totalled 132 (202) employees: 107 (158), or 81% (78%), in Finland and 25 (44), or 19% (22%), abroad. Wages and remuneration the review period totalled EUR 1.4 million (2006, 12 months: EUR 6.4 million, 2005, 12 months: EUR 8.5 million).

M.Sc. Mr. Kimmo Akiander started on April 10, 2007 as Vice President, Sales and Marketing and as a management team member of Cencorp Corporation. Mr. Akiander reports to CEO Jouni Suutarinen.

Mr. Kimmo Akiander has previously worked as Sales and Marketing Director in Business Unit Systems of Efore Oyj. Before Efore Oyj he worked as a Key account manager for Motorola in Ascom Energy Systems GmbH.

At the end of the period, Cencorp Corporation's Board of Directors consisted of Mr Jorma Kielenniva, Chairman, LL.M. with court training, Mr Markku Jokela, Deputy Chairman, B.Sc. (Eng) and Sauli Kiuru, member, M.Sc. (Econ). The company's management team comprised Jouni Suutarinen (CEO), Jarmo Kanervo (finance and administration), Ville Parpola (legal affairs and personnel), Markku Jokela (sales and marketing), Juha Kantola (production), Hannu Seppälä (testing business) and Pekka Kettunen (product development).

Strategic risks

Cencorp's main risks are related to general development in the sector and to maintaining sufficient product competitiveness. One of the company's key competitors is manual assembly in countries with low labour costs.

Risks related to business development mainly involve new product or product platform development projects and the market launch of end products. These risks are the minimised through close cooperation with customers in the development of both new products and product platforms.

While carrying out product development projects Cencorp follows a five-phase model which requires sufficient commercial potential to be ensured before a development project is started.

Operational risks

Owing to the relatively strong cyclical nature of the sector and the speeding up of the order-supply process, Cencorp aims to manufacture its products using similar components and modules in different products whenever possible. The product platform philosophy aims to minimise risk related to the purchase of outdated components.

In 2006, Cencorp sought to lower its manufacturing expenses by negotiating discounts based on purchase volumes with its suppliers. Unfortunately, sales volumes fell short of expectations, which led to a significant increase in component inventories. The goal in the future is to decrease product manufacturing expenses primarily through product design instated of committing to predicted volume purchases.

The risk related to critical components and component suppliers will be minimised by selecting at least two suppliers. In the case of development of new projects involving new technologies, such as laser technology, it is near impossible to find two serious suppliers in the early phases of the project. In this case, the company will actively monitor the development of other players in the field and take action when required.

The introduction on the new ERP system resulted in a great deal of extra work for the personnel. Since some of the system functions could not yet be implemented in 2006, the process will continue this year. In the case of product manufacturing expenses, for example, work volume monitoring will be speeded up by adopting electronic entry of working hours.

In the case of production equipment delivered to customers, risk will be minimised through agreements so that Cencorp is, in principle, not liable for any indirect damage caused by the production equipment to a customer. All of the supplied devices are designed and manufactures in compliance with the CE or UL directives in effect.

Damage risks

A significant share of Cencorp's customers operate outside Finland. The products sold are mainly delivered to customers as air freight. Products are also transported abroad to fairs and similar events. Products designed and manufactured by Cencorp are insured against transport and other damage for full value. The buildings and property administrated by the company are appropriately insured. Product liability insurance and interruption insurance have also been taken into consideration in the company's insurance policy.

Personnel risks

In 2006 the company had to cut costs, among other thins, by carrying out two codetermination talks. Cost savings targeting employees and the company's high debt-equity ratio may cause the remaining employees to feel insecure about job continuity.

Financial risks

Cencorp's normal business activities expose it to financial risk, interest rate risk, funding risk and credit risk. Risk management aims to minimise the adverse effects that changes in the financial markets may have on the Groups's results and balance sheet position. The Group's general risk management principles are approved by the Board of Directors, and their implementation is the joint responsibility of the Group's centralised financial department and the business areas. The financial department identifies, assesses and acquires the instruments needed to hedge against risks in close cooperation with the operational units. Hedging transactions are carried out in compliance with the risk management policy approved by Group management.

Liquidity risk

The Group continuously assesses and monitors the financing needed for business to ensure that it has enough liquid assets at its disposal to finance operations and repay loans falling due. The Group's financing policy determines the optimum size of the liquidity reserve. The maturity and amortisation of loans are planned so as to optimise liquidity. The availability and flexibility of financing are ensured through sufficient credit terms. In terms of the Group's business continuity, the sufficiency of financing constitutes the biggest risk in the financial period 2006 as well as in the review period due to a clear drop in profitability. The EUR 1.5 million factoring limit, re-arranged after the review period, and other financing instruments have eased the financial situation a bit but the Group's financial situation continues to be tight.

Currency risk

The Group's international operations expose it to transaction risks caused by foreign exchange positions and to risks arising from the translation of investments denominated in foreign currencies to the parent company's functional currency. USD is the most significant currency for the Group. Currency risks arise from purchases and sales carried out in a currency other than the Group's functional currency, from foreign currency denominated trade receivables and payables, as well as from net investments in foreign subsidiaries.

The primary sales and invoicing currency is EUR. If required, other commonly used currencies (USD, SEK, HUF and GBP) can also be used. Of these, USD accounts for 39% of overall sales in year 2006 while the other currencies together account for less than 1%. The Group has foreign net investments in subsidiaries and is thus exposed to risk that arise from translating investments denominated in USD, SEK, HUF and GBP into parent company's functional currency. The Group has decided not to hedge net investments in foreign subsidiaries due to the small size of the investments. The Group's subsidiary in the USA has more USD-denominated intra-Group loans to cover its USD trade receivables. The parent company's net USD receivable has not been hedged.

Interest rate risk

The Group's revenue and operational cash flows are mostly independent of fluctuations in market rates. The Group is exposed to fair value interest rate risk (fixed rate debts) and cash flow interest rate risk (floating rate debts) mainly due to interest on debts. In compliance with the principles of risk management, at least 10% of the credit portfolio shall have an average duration of 3-6 years. On the balance sheet date, 50% of the credit portfolio was fixed rate, the bulk consisting of a five-year convertible subordinated loan. The Group's investments in market-priced shares and other instruments are minor, leading to market risk from investment activities being very small.

Credit risk

The Group does not have significant external credit pools thanks to its broad geographically widely distributed customer base. It only grants credit to companies with an impeccable credit rating. The parent company has intra-Group internal trade receivables, interest receivables and loan receivables from its US subsidiary worth a total of EUR 3.6 million, as well as a EUR 0.7 subordinated loan from its subsidiary, Singulase Corporation. The repayment is linked to the companies' future performance.

Changes in Group structure

Kiinteistö Oy Salon Ratakatu 10, a real estate company owned by Cencorp Corporation, sold its factory hall and the related land lease agreement in December 2006. Since the real estate company's sole purpose was to administer the property traded, the company was decided to be dissolved through liquidation, which has been started during the review period by liquidator Attorney-at-Law Mr. Mikko Tuononen.

Share Capital, share performance and changes in ownership

On 31 March 2007, the share capital of Cencorp Corporation was EUR 3,425,059.10 and the number of shares 34,250,591. The nominal book value of the shares was EUR 0.10. The company has one share series and each share gives one vote in General Meetings. The company also had four share-entitling securities series at the end of the financial period. The first of the securities series consists of the 2004A and B share options. The second share-entitling securities series consists of the loan shares related to the 2006 convertible subordinated loan. The third share-entitling securities series consists of the stock options 2007A given to Sampo Pankki Oyj as part of the financing arrangement. The fourth share-entitling securities series consists of the the stock options decided by the General Meeting of Shareholders of Cencorp Corporation to be issued on 8 September 2006 and to be directed to the key personnel of Cencorp Corporation and to PMJ testline Oy, a wholly-owned subsidiary of the Company.

The issue of new shares will be decided by the General Meeting. The Board of Directors decides on the issue of new shares only if the General Meeting has authorised the Board to do so.

Section 15 of Cencorp Corporation's Articles of Association includes a redemption clause.

During the review period, share trading in the Helsinki Stock Exchange amounted to 2 824 538 shares worth EUR 1.1 million (25,765,595 shares and EUR 20.9 million in 2006, 29,948,868 shares and EUR 39.5 million in 2005). The period's highest quotation was EUR 0.46 and lowest EUR 0.30. The period's average share price was EUR 0.40 and the price on the last trading day of the period was EUR 0.31. The market value of the company's share capital was EUR 10,617,683 at the end of the review period.

Cencorp had a total of 6 006 registered shareholders at the end of the review period. The ten biggest shareholders held a total of 50.2 per cent of the company's shares and votes on 31 March 2007. The company's largest shareholder is Markku Jokela, the founder of PMJ, former CEO and current Deputy Chairman of the Board, who holds 25.1 per cent of the company's shares and voting rights. The members of the company's Board of Directors held, either directly or through companies controlled by them, a total of 9,691,614 shares on 31 March 2007, representing 28.3 per cent of the company's shares and voting rights. CEO Jouni Suutarinen owned 300 shares at the end of the review period. Shares owned by foreign shareholders on 31 March 2007 totalled 120,600 representing 0.35 per cent of all shares and voting rights. Cencorp Corporation did not own any of its own shares at the end of the review period.

Stock Options

On the authorisation granted by the Extraordinary General Meeting of 15 July 2004, Cencorp Corporation's Board of Directors decided on 5 October 2004 to grant share options to key personnel of the Group and to PMJ testline Oy, a wholly owned subsidiary. The total number of the option rights granted is 2 226 694 and they entitle to subscribe for a total of 2 226 694 Cencorp Corporation's shares. The option rights are divided into A and B option rights (both totalling 1 113 347 shares). At the time of issue, all option rights were granted to PMJ testline Oy, which will later grant them to key personnel employed or to be employed by the Cencorp Group. At the end of the period, PMJ testline Oy held the following Cencorp 2004 share options.

Cencorp share options 2004A: 183 847
Cencorp share options 2004B: 23 847

The subscription price of the shares with the A and B share options is EUR 0.78, or the closing price of Cencorp Corporation shares at the Helsinki Stock Exchange on 4 October 2004, plus ten (10) per cent and minus the amount of dividend distributed after the end of the subscription price determination period and before the share subscription, on the record date of each distribution of dividend. For A share options, the share subscription period is from 1 January 2006 to 31 January 2009, and for B share options, from 1 January 2007 to 31 January 2009.

The Extraordinary General Meeting held on 8 September 2006 decided to issue share options to the Group's key personnel and to its fully owned subsidiary, PMJ testline Oy. During the review period 350.000 2006A stock options where offered to key personnel of Cencorp for subscription.

The 2006 share options entitle the subscription of 1 500 000 new Cencorp Corporation shares. The subscription period for share options 2006A is from 1 April 2008 to 30 April 2010, for share options 2006B from 1 April 2009 to 30 April 2011 and for share options 2006C from 1 April 2010 to 30 April 2012.

The share subscription price for the 2006A share option is EUR 0.56, which corresponds to the average price, weighted by the trading volume of Cencorp Corporation's share, on the Helsinki Stock Exchange from 1 September to 30 September 2006, for the 2006B share option the average price, weighted by the trading volume of Cencorp Corporation's share, on the Helsinki Stock Exchange from 1 July to 31 August 2007 and for the 2006C share option, the average price, weighted by the trading volume of Cencorp Corporation's share, on the Helsinki Stock Exchange from 1 April to 31 May 2008. The annually distributed dividend is deducted from the subscription price.

The 2006 share options are linked to a share ownership scheme. Key employees covered by the option scheme are obligated to purchase company shares with 20% of the net benefits from exercised share options. The key employees must hold the acquired shares as long as they are in an employment relationship with a Group company.

During thereview period Cencorp Corporation and Sampo Pankki Oyj agreed on EUR 1,500,000 financing arrangement. As part of the arrangement the board of Cencorp Corporation decided to issue 1,801,400 stock options to Sampo Pankki Oyj, on the basis of an authorization received at the Extraordinary General Meeting of Shareholders held on 8 September 2006. Stock options are marked by code 2007A and they entitle the holder to convert the stock options into 1,801,400 new shares. The subscription price is EUR 0.40. Share subscription period starts on February 6, 2007 and ends on September 30, 2011.

The Board's effective authorisations to increase share capital

After 2007A option decision, made on February 6, 2007 there are no effective authorisations to increase share capital.

Board of Directors, managing directors and auditors

The Board members are elected by the General Meeting for one term at a time. The term begins at the end of the General Meeting at which the election was made and terminates at the end of the following Annual General Meeting. The Articles of Association impose no restrictions on the General Meeting's power to appoint members to the Board. The Board of Directors elects a Chair and Vice Chair among its members. The Board constitutes a quorum when more than half of its members are present. The Board of Directors has appointed a nomination and compensation committee among its members to deal with the compensation and benefits of senior management, to find potential successors to Board members and to prepare proposals to the General Meeting concerning the composition and remuneration of the Board for the next term. The committee is also responsible for assessing the company's compensation and incentive scheme and its development. The nomination and compensation committee's term is the same as that of the Board of Directors.

During the review period following people where board members: Jorma Kielenniva, LL .M. with court training, as Chairman of the Board, Markku Jokela, BSc (Eng.), as Deputy Chairman and Sauli Kiuru, MS c (Econ.), as board member Ville Parpola, Cencorp Corporation's Vice President, Legal Affairs, was acted as Secretary of the Board. Jorma Kielenniva and Markku Jokela were appointed as members of the Board's Compensation and Nomination Committee.

At the end of the review period, Jorma Kielenniva, Chairman of the Board, held 81 857 Cencorp shares, 53 500 Cencorp 2004A options and 53 500 Cencorp 2004B options. One option entitles to the subscription of one Cencorp Corporation share.

At the end of the review period, Markku Jokela, Deputy Chairman of the Board, held 8 607 757 Cencorp shares and EUR 149 999.50 worth of loan shares in Cencorp Corporation's 2006 convertible subordinated loan, which entitle to the subscription of 214 285 of Cencorp Corporation shares. FT Capital Oy, an investment company under the control of Markku Jokela, held loan shares in Cencorp Corporation's 2006 convertible subordinated loan worth EUR 499 999.50, which entitle to the subscription of 714 285 of Cencorp Corporation shares.

Sauli Kiuru, member of the Board, held 410 000 Cencorp shares and 60 000 of Cencorp's 2004B options at the end of the period through companies under his control. One option entitles to the subscription of one Cencorp Corporation share.

Cencorp's CEO is appointed by the Board of Directors. The CEO attends to the company's day-to-day management in compliance with the Companies Act and the rules and guidelines issued by the Board of Directors. The company's CEO is Mr Jouni Suutarinen. The Board of Directors decides on the terms and conditions of the CEO's employment relationship in a written contract. If the contract is terminated by the company, the period of notice and pay for the period of notice is 6 months. Should Cencorp terminate the contract because the CEO has not achieved the targets set by the Board of Directors, the CEO receives a lump sum benefit corresponding to the gross salary of six (6) months at the end of the period of notice. Should Cencorp terminate the contract even though the CEO has achieved the targets set by the Board of Directors, the CEO receives a lump sum benefit corresponding to the gross salary of twelve (12) months at the end of the period of notice. The lump sum benefit is considered to be earned income and is subject to tax and other payments related to earned income. Should the contract be terminated by the CEO, the period of notice is 6 months. The CEO's pension is determined in compliance with the Employees' Pension Act. The CEO's monthly salary is EUR 11 000.

Mr Suutarinen held 300 Cencorp shares, 78 500 Cencorp 2004A options and 78 500 Cencorp 2004B options at the end of the review period. Furthermore, Mr Suutarinen has right to subscribe 100.000 Cencorp 2006A options. One option entitles to the subscription of one Cencorp Corporation share.

Jarmo Kanervo, CFO and deputy to the CEO , had 110 660 Cencorp shares and 16 900 shares through a company under his control, as well as 60 000 Cencorp 2004B options at the end of the review period. Furthermore, Mr Kanervo has right to subscribe 50.000 Cencorp 2006A options. One option entitles to the subscription of one Cencorp Corporation share.

Tuokko Auditing Ltd was acted as company's auditor during the review period with Timo Tuokko, Authorised Public Accountant, as the main auditor.

Events after review period

Decisions of The Annual General Meeting of Cencorp Corporation held on April 17, 2007

The financial statements for the fiscal year 2006 were approved. In accordance with the Board's proposal, it was resolved that no dividend shall be paid for the fiscal year January 1 - December 31, 2006. Likewise, it was resolved that the net loss of the fiscal year 2006 will be entered in the in the retained earnings account. Release from liability for the fiscal year January 1 - December 31, 2006 was granted to the members of the parent company's Board and the CEOs employed by the company during the fiscal year.

The Annual General Meeting passed a resolution to elect three members to the Board. The previous members elected to the Board were Mr. Jorma Kielenniva, Mr. Markku Jokela and Mr. Sauli Kiuru.

At the Board's organization meeting that was held after the Annual General Meeting, Jorma Kielenniva was elected Chairman of the Board and Markku Jokela Vice Chairman of the Board. Cencorp´s Vice President, Legal Affairs Mr. Ville Parpola continues as the secretary of the board. Jorma Kielenniva and Markku Jokela were elected as members of the Nomination and Compensation Committee. Mr

Jorma Kielenniva was elected as the Chairman of the Nomination and Compensation Committee.

Tuokko Tilintarkastus Oy was elected as the Company's auditor, with Authorised Public Accountant Timo Tuokko to be the primarily responsible auditor.

In accordance with the Board's proposal, it was resolved that Articles of Association of the company will be changed as follows:

- Sections 3, 4 and 13 concerning share capital of the company, number of shares and voting rights attached to the shares were wholly or partly removed as redundant.
- Sections 8 and 9 concerning the right to sign for the company were amended to correspond to the wording of the Companies Act.
- Section 11 concerning the notice of a General Meeting was amended to the effect that the notices can be delivered not earlier than three months prior to the General Meeting instead of the current two months.
- The list of matters to be considered at the Annual General Meeting of Shareholders was amended to correspond to the amended legislation.
- The reference concerning the date of registration in section regarding the Book-entry System was removed as redundant.
- Section concerning record date procedure was removed as redundant.
- The numbering of the sections in the Articles of Association was amended correspondingly due to the above amendments.

In accordance with the Board's proposal, it was resolved that the Board of Directors of the company is authorized to resolve on the issuance of shares and stock options and other special rights entitling to shares subject to chapter 10, section 1 of the Companies Act as follows.

The aggregate number of shares issued on the basis of the authorization may not exceed 10,000,000 shares. The Board of Directors is authorized to resolve on all the terms and conditions concerning the issue of shares and stock options and other special rights entitling to shares. Issuance of shares and other special rights entitling to shares can be carried out as a directed issue. Authorization is valid until further notice, however not more than five years from the decision by the Annual General Meeting of Shareholders.

Consolidated Income Statement	Notes	1.1.-31.3.2007		1.1.–.31.12.2006		1.1.–.31.12.2005	
Net sales	**1**	**3 820**	**100.0 %**	**19 974**	**100.0 %**	**35 308**	**100.0 %**
Other income	**2**	37		446		1 215	
Changes in inventories of finished goods and work in progress		-304		-825		-2 241	
Production for own use							
Material and equipment used		831		8 502		15 177	
Employee benefits expense	**4**	1 670		7 763		10 170	
Depreciation and amortisation	**5**	342		1 309		1 181	
Impairment of property, plant and equipment							
Other expenses	**3**	1 728		5 369		6 994	
Operating profit		**-1 018**	**-26.6 %**	**-3 348**	**-16.8 %**	**760**	**2.0 %**
Financial income	**6**	**40**		96		599	
Financial expenses	**7**	**357**		1 622		1 070	
Profit before taxes		**-1 335**	**-34.9 %**	**-4 874**	**-24.4 %**	**289**	**0.8 %**
Income taxes	**8**			-17		-40	
Change in deferred taxes	**8**	**1**		-8		1642	
Profit for the period		**-1 334**	**-34.9 %**	**-4 899**	**-24.5 %**	**1 891**	**5.4 %**
Earnings per share for the profit attributable to the equity holders of the parent company:							
Earnings per share (diluted), EUR	**9**	**-0.05**		**-0.14**		0.06	
Earnings per share (undiluted), EUR	**9**	**-0.04**		**-0.15**		0.06	

Consolidated Balance Sheet

	Notes	31.03.2007	31.12.2006	31.12.2005
ASSETS				
Long-term assets				
Tangible assets	**10**	**1 705**	1 778	2 251
Investment property	**12**	**338**	343	992
Goodwill	**11**	**2 028**	2 028	1 902
Other intangible assets	**11**	**822**	1 016	1 770
Incomplete product development projects	**11**	**1 239**	1 199	1 133
Deferred tax asset	**14**	**1 726**	1 723	1 895
Available-for-sale investments	**13**	**17**	17	21
		7 875	8 104	9 964
Short-term assets				
Inventories	**15**	**4 841**	5 188	5 661
Accounts receivable	**16**	**4 601**	5 589	8 051
Other short-term assets	**16**	**1 281**	1 323	1 119
Cash and bank receivables	**17**	**980**	937	319
		11 703	13 037	15 150
Total assets		**19 578**	21 141	25 114
LIABILITIES AND SHAREHOLDERS' EQUITY				
Shareholders' equity	**18**			
Share capital		**3 425**	3 425	3 125
Other restricted equity		**4 695**	4 432	4 159
Fair value fund				441
Non-restricted equity		**-6 826**	–5 224	–862
Total shareholders' equity		**1 294**	2 633	6 863
Long-term liabilities				
Long-term loans	**21**	**10 426**	10 356	6 038
Deferred tax liability	**14**	**331**	361	40
Long-term reserves				46
Total long-term liabilities		**10 757**	10 717	6 124
Short-term liabilities				
Accounts payable and other liabilities	**22**	**4 078**	4 450	5 774
Short-term loans	**21**	**2 030**	1 394	4 482
Long-term loans shortening	**21**	**1 338**	1 824	1 535
Tax liabilities			25	40
Short-term reserves	**20**	**81**	98	296
Total short-term reserves		**7 527**	7 791	12 127
Liabilities		**18 284**	18 508	18 251
Total liabilities and shareholder's equity		**19 578**	21 141	25 114

Consolidated Cash Flow Statement

	Notes	**IFRS 1.1.-31.3.2007**	IFRS 1.1.–31.12.2006	IFRS 1.1.–31.12.2005
Cash flow from business operations				
Income statement profit/loss before taxes		**-1 335**	–4 874	289
Non-monetary items adjusted on income statement				
Depreciation and amortisation	+	**309**	1 273	1 181
Impairment	+/–	**0**	36	0
Unrealised exchange rate gains (–) and losses (+)	+/–	**-79**	75	–357
Interest expenses and other financial expenses	+	**357**	1 622	1 070
Interest gains	–	**-40**	–95	–415
Investment income	–			
Total cash flow before changes in working capital		**-788**	–1 963	1 768
Change in working capital				
Increase (–) / decrease (+) in accounts and other receivables		**1 014**	1 935	–2 673
Increase (–) / decrease (+) in inventories		**347**	365	3 570
Increase (+) / decrease (–) in accounts and other payables		**-380**	–969	–578
Changes in provisions		**-17**	–244	20
Change in working capital		**964**	1 087	339
Adjustment of financial items and taxes to cash-based accounting				
Interest paid	–	**-227**	–1 992	–451
Interest received	+			
Income taxes paid	–	**-17**	–40	–22
Financial items and taxes		**-244**	–2 032	–473
NET CASH FLOW FROM BUSINESS OPERATIONS		**-68**	–2 908	1 634
Cash flow from investments				
Investments in tangible and intangible assets	–	**-45**	–314	–1 767
Proceeds on disposal of tangible and intangible assets	+		768	374
Acquisition of subsidiaries and other business units	–		–122	
Disposal of subsidiaries and other business units	+			225
NET CASH FLOW FROM INVESTMENTS		**-45**	332	–1 168
Cash flow from financing activities				
Proceeds on share issue	+		1 050	
Loans raised	+	**1 106**	11 863	
Loans repaid	–	**-948**	–9 726	–2 301
Payment of finance lease liabilities	–			
Dividends paid	–			
NET CASH FLOW FROM FINANCING ACTIVITIES		**158**	3 187	–2 301
INCREASE (+) OR DECREASE (–) IN CASH FLOW		**45**	611	–1 835
Cash and cash equivalents at the beginning of the period		**937**	319	2 264
Translation adjustment to cash and cash equivalents		**-2**	7	–110
Cash and cash equivalents at the end of the period		**980**	937	319
		45	611	–1 835

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1.1. - 31.3.2006

EUR 1 000	Share capital	Other restricted equity	Translation difference	Retained earnings	Total
Shareholders' equity 31.12.2005	**3 125**	**4 158**	**-3 621**	**3 201**	**6 863**
Translation difference			-70		-70
Net result				-1 466	-1 466
Shareholders' equity 31.03.2006	**3 125**	**4 158**	**-3 691**	**1 735**	**5 327**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1.1. - 31.3.2007

EUR 1 000	Share capital	Other restricted equity	Translation difference	Retained earnings	Total
Shareholders' equity 31.12.2006	**3 425**	**4 432**	**-3 641**	**-1 583**	**2 633**
Translation difference			-448		-448
IAS 12				30	30
IAS 39				11	11
IFRS 3				402	402
Net result				-1 334	-1 334
Shareholders' equity 31.03.2007	**3 425**	**4 432**	**-4 089**	**-2 474**	**1 294**

Accounting Principles of the Consolidated Financial Statements

GENERAL COMPANY INFORMATION
The Cencorp Group supplies the electronics and semiconductor industries with automation solutions that enhance productivity.

The Group's parent company is Cencorp Corporation, a Finnish public limited company domiciled in Lohja. The company's registered address is Maksjoentie 11, FI-08700 Lohja.

A copy of the consolidated financial statements is available on the Internet at www.cencorp.com or from the Group's headquarters at Maksjoentie 11, FI-08700 Lohja.

Cencorp Corporation's Board of Directors has approved these financial statements for publication at its meeting held on June 29, 2007. According to the Finnish Companies Act, shareholders are entitled to approve or reject the financial statements at the Annual General Meeting held after their publication. The Annual General Meeting is also entitled to amend the financial statements.

BASIS OF PREPARATION
The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), following the IAS and IFRS standards, as well as the SIC and IFRIC interpretations, effective on 31 March 2007. International Financial Reporting Standards mean the standards and related interpretations in the Finnish Accounting Act and provisions issued on the grounds thereof that have been approved for adoption in the EU according to the procedure laid out in Regulation (EC) No 1606/2002. The notes to the consolidated financial statements also comply with Finnish accounting and European community legislation.

The consolidated financial statements have been prepared under the historical cost convention, with the exception of available-for-sale investments and investment property, which have been measured at fair value. The figures in the financial statements are given in thousands of euros.

As of 1 January 2006, the Group has adopted the following revised standards and interpretations:

- AS 39 Financial Instruments: Recognition and Measurement with the following amendments:
- Cash Flow Hedge Accounting of Forecast Intragroup Transactions
- Fair Value Option
- FRIC 4 Determining whether an Arrangement contains a Lease

In the Group's view, the adoption of revised or amended standards and interpretations has not had a significant impact on the Group's financial statements for 31 March 2007.

The preparation of financial statements in conformity with IFRS requires the management to make certain estimates and to exercise its judgment in applying the accounting policies. Information about the estimates and judgment that the management has used and that are most significant to the figures presented in the financial statements are disclosed under "Accounting estimates made by the management".

ACCOUNTING ESTIMATES MADE BY THE MANAGEMENT

When preparing the consolidated financial statements in compliance with IFRS, the company management must make certain estimates and assumptions that affect the balance sheet figures, commitments at reporting date disclosed in the notes to the financial statements, as well as the income and expenses for the period. Although the estimates are based on the latest available information, the actual figures and results may deviate from them.

Management estimates are used especially for impairment tests, the measurement of equity investments and the recognition of deferred tax assets. When testing for the impairment of assets, estimates are made on the recoverable amount of assets. Further information about the estimates used in goodwill and consolidated goodwill testing, as well as the bases for the estimates, is available under “Depreciation and impairment” in the notes to the consolidated financial statements.

Equity investments for which no market price is available on the stock market and whose fair value cannot be reliably determined otherwise are measured at cost.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in the future against which the tax assets can be utilised.

ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

SUBSIDIARIES

The consolidated financial statements include parent company Cencorp Corporation and all of its subsidiaries. Subsidiaries are enterprises over which the Group has control. Control over an enterprise arises when the Group holds over half of the votes or has control in other ways. The existence of potential voting rights has also been taken into consideration when determining the conditions for control in the case that the instruments entitling to potential votes are exercisable at the review date. Control means the power to govern the financial and business policies of a company in order to gain benefit from operations.

Intra-group shareholding has been eliminated using the acquisition method. Acquired subsidiaries are consolidated in the financial statements from the date on which the Group has acquired control over the company, and disposed subsidiaries are deconsolidated from the date on which control ceases. All of the Group’s internal operations, receivables, liabilities, unrealised gains and internal profit distribution are eliminated when preparing the consolidated financial statements. Unrealised losses are eliminated if the losses result from impairment.

TRANSACTIONS DENOMINATED IN FOREIGN CURRENCY

The figures representing the performance and financial standing of the Group’s units are measured in the functional currency of each unit’s main operating environment. The consolidated financial statements are prepared in euro, which is the parent company’s functional and presentation currency.

Foreign currency transactions have been recognised in euro using the exchange rate prevailing on the transaction date. In practice, the rate used is often one that approximately equals the rate on the transaction date. Monetary items denominated in foreign currency have been translated into euro at the closing rate. Non-monetary items in foreign currency, measured at fair value, have been translated into euro at the rates prevailing on the measurement date. Other non-monetary items have been measured at the rate prevailing on the transaction date. Gains and losses from foreign currency transactions and from the translation of monetary items have been recognised in the income statement. Exchange rate gains and losses from business activities are included in the corresponding items above operating profit.

The revenues and expenses in the income statements of foreign group undertakings have been translated into euro using the weighted average rate for each month (financial year), while the balance sheets have been translated using the closing rates. Using different rates to translate the period’s result in the income statement and balance sheet results in a translation difference that needs to be recognised in shareholders’ equity. The translation differences resulting from the elimination of the acquisition cost of foreign subsidiaries are recognised in the income statement as part of sales profit or loss. Translation differences generated before 1 January 2004 have been recognised under retained earnings in conjunction with the IFRS transition and will not be later recognised in the income statement in conjunction with the disposal of subsidiaries.

As of 1 January 2004 the goodwill arising from the acquisition of foreign units and the fair value adjustments made to the carrying amounts of the foreign units' assets and liabilities in conjunction with their acquisition are treated as part of the foreign units' assets and liabilities and have been translated to euro at the closing rates. The goodwill and fair value adjustments of acquisitions carried out prior to 1 January 2004 have been recognised in euro.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment have been recognised at original cost less depreciation and impairment.

If an asset consists of several components, with useful lives of different lengths, each component is treated as a separate asset. In this case, the expenses related to the renewal of a component are capitalised. Otherwise, expenses incurred at a later time are included in the carrying amount of an asset only if it is probable that any future economic benefit associated with the asset will flow to the Group and if the acquisition cost of the asset can be reliably determined. Other repair and maintenance fees are recognised in the income statement after their realisation.

Straight-line depreciations are made on assets over their estimated useful life. Land is not depreciated. The estimated useful lives are the following:

Buildings: 25 years
Modernization of leased facilities: 10 years
Machinery and equipment: 3–7 years

The residual value and useful life of assets are assessed for every financial statement and, if needed, adjusted to reflect any changes in the expected economic benefit.

The depreciation of property, plant and equipment is terminated when the asset is classified as Held for Sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Gains and losses on disposals and transfers of property, plant and equipment are included in other operating income or expenses.

PUBLIC SUBSIDIES

Public subsidies, such as government assistance for the acquisition of property, plant and equipment, are recognised as deductions from the carrying amount of property, plant and equipment or intangible assets when it is reasonably certain that the Group will receive the subsidies and that it complies with the conditions attached to them. Subsidies are recognised in the form of smaller depreciation over the useful life of the asset. Subsidies received as compensation for expenses already incurred are recognised in the income statement when the expenses related to the subsidised object are recognised as an expense. This type of subsidies are presented under other operating income. The Group has received product development subsidies that involve both of the recognition methods explained above.

INVESTMENT PROPERTY

Investment property includes real estate that the Group holds to earn rental income or appreciation in property value. Investment property is measured at fair value. The fair value is determined annually based on an estimate prepared by an impartial real estate assessor and corresponds to the market value of active markets. Changes in the fair value of investment property are included in other operating income or expenses in the income statement.

INTANGIBLE ASSETS

GOODWILL

Goodwill corresponds to that part of the acquisition cost that exceeds the Group's share of the net fair value of identifiable assets, liabilities and contingent liabilities on the acquisition date of a business acquired after 1 January 2004. The goodwill of business combinations carried out prior to 2004 corresponds to the carrying amount that complies with previous accounting standards, which has been used as the default acquisition cost.

No planned depreciation is made for goodwill. Instead, goodwill is tested annually for impairment. For this purpose, goodwill has been allocated to cash-generating units. Goodwill is measured at original cost less any impairment.

RESEARCH AND DEVELOPMENT COSTS

Research expenditure is recognised as an expense in the income statement. Development expenditure arising from the design of new or more advanced products is capitalised in the balance sheet under intangible assets as of the date the product is technically realisable and commercially viable and can be expected to generate future economic benefit. Incomplete product development projects are also capitalised. Capitalised development costs include the material, work and testing expenses that result directly from completing an asset for the intended purpose. Development expenditure that has been recognised as an expense in previous periods cannot be capitalised later.

Depreciation of an intangible asset begins once the asset is ready for use. Capitalised development expenditure is reviewed annually for any indication of impairment. An intangible asset that is not ready for use is tested annually for impairment. After initial recognition, capitalised development expenditure is measured at cost less accumulated depreciation and impairment. The useful life of capitalised development expenditure is 3 years, during which time capitalised costs are recognised as an expense on a straight-line basis.

OTHER INTANGIBLE ASSETS

An intangible asset is recognised in the balance sheet at original cost if the cost can be reliably determined and it is likely that the expected economic benefit from the asset will flow to the company.

Intangible assets with a limited useful life are recognised on the balance sheet at acquisition cost and recorded as expenses on a straight-line basis in the income statement over their useful life.

Other intangible assets have the following depreciation periods:

Patents: 10 years
Software licences: 5 years

INVENTORIES

Inventories are measured at the lower of acquisition cost or net realisable value. The acquisition cost of material inventories is determined using the weighted average cost method and that of work in progress using the FIFO (first in, first out) method. The acquisition cost of finished and unfinished products consists of raw materials, direct work expenses, other direct expenses and an appropriate share of fixed production overheads and property overheads in normal operations. The net realisable value is the estimated selling price in normal business operations, less the estimated costs of completion and estimated costs resulting from sales.

LEASES

GROUP AS LESSEE

In accordance with IAS 17, leases are classified as finance leases or operating leases. Other leases are recognised as rental expenses under other operating expenses.

Leases on tangible assets, which transfer substantially the risks and rewards of ownership to the Group, are classified as finance leases in accordance with IAS 17 Leases. Assets acquired on finance leases are recognised in the balance sheet at the beginning of the lease period at the fair value of the leased asset or, if lower, at the present value of minimum lease payments. An asset acquired on a finance lease is depreciated over the shorter of the asset’s useful life or lease period. Lease payments are divided into a finance charge and a reduction of the outstanding liability over the lease period so that a constant periodic rate of interest is achieved on the outstanding liability Lease obligations are included in interest-bearing liabilities.

IMPAIRMENT

TANGIBLE AND INTANGIBLE ASSETS

On every closing date the Group tests assets for possible impairment. If any indication of impairment is found, the recoverable amount of the asset in question shall be assessed. The recoverable amount is also estimated annually for goodwill and incomplete product development projects, irrespective of whether indications of impairment are found. The need for impairment is assessed at the level of cash-generating units, that is, at the lowest unit level that is mainly independent of other units and has separately identifiable cash flows.

The recoverable amount of an asset is the higher of its fair value less expenses from disposal or its value in use. Value in use equals the net future cash flows expected to be recovered from the asset or cash-generating unit, discounted to present value.
An impairment loss is recognised if the carrying amount of an asset is higher than its recoverable amount. An impairment loss is recognised immediately in profit or loss. If the impairment loss concerns a cash-generating unit it is first allocated to reduce the goodwill of the cash-generating unit and then to proportionately reduce the unit's other assets. An impairment loss is reversed if there is a change in conditions and if the recoverable amount of the asset has changed since the recognition of the impairment loss. However, the reversal shall not exceed the carrying amount that would have been determined had no impairment loss been recognised. Goodwill impairment is not reversed under any circumstances.

REVENUE RECOGNITION PRINCIPLES

SOLD GOODS AND PRODUCED SERVICES

Revenue from the sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. At this time, the Group no longer has control or regulatory power over the product. This usually coincides with the date on which the goods have been delivered to the customer according to the agreed delivery clause. Revenue from services is recognised at the time the service is carried out.
Net sales consist of the revenue from the sales of products, services, raw materials and equipment, adjusted by indirect taxes, discounts and exchange differences from sales in foreign currencies.

EMPLOYEE BENEFITS

PENSION OBLIGATIONS

Pension plans are categorised into defined benefit and defined contribution schemes. In defined contribution schemes the Group pays fixed contributions to a separate entity. The Group has no legal or constructive obligation to pay further contributions if the entity does not hold sufficient assets to take care of all of the pension benefits. All other schemes that do not meet these conditions are defined benefit schemes. Contributions made into defined contribution payment schemes are recognised in the income statement in the period they are due. The Group has no pension arrangements considered to be defined benefit plans.

SHARE-BASED PAYMENTS

The Group has several option schemes, which mainly involve equity instruments. Equity-settled schemes are measured at fair value at grant date and are recognised as an expense on a straight-line basis in the income statement over the vesting period. The impact of non-market vesting conditions (such as profitability and performance growth targets) are not included in the fair value of options. Instead, they are taken into account in the number of options that are expected to vest at the end of the vesting period The Group revises the expected number of options at each balance sheet date. Any adjustments to estimates are recognised in the income statement.

OTHER EMPLOYEE BENEFITS

After multiples of full ten years of service, employees receive a gift/paid holiday. Since the entitlement to the benefit arises only after the required number of service years has been completed, any ensuing expense is recognised as an annual expense for the year in question.

PROVISIONS

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that the payment obligation must be settled and the amount of the obligation can be reliably estimated. If there is a chance to get compensation from a third-party for part of the obligation, the compensation is recognised as a separate asset, but not until it is practically certain that the compensation will be received. Provisions are measured at the present value of expenditures required to settle the obligations. The discount rate used to calculate the present value is selected to reflect current market assessments of the time value of money and the risks specific to the obligation.

A warranty provision is recognised when a product including a warranty clause is sold. The amount of the warranty provision is based on experience about the realisation of warranty expenses.

A restructuring provision is recognised when the Group has drawn up a detailed restructuring plan, initiated implementation of the plan and made the plan known. A restructuring plan includes at least the following information: the business targeted by restructuring; the main sites affected by the plan; the location, duties and estimated number of employees who will be compensated for termination of employment; the resulting expenses and the time of implementation of the plan. No provision is recognised for expenses related to the Group’s ongoing operations.

A provision is recognised for an onerous contract if the expenses required to settle the obligations exceed the benefits from the contract.

A provision is recognised for obligations related to decommissioning and restoration if the Group has an obligation that is based on environmental legislation and the Group’s environmental responsibility principles and that concerns the decommissioning of a production plant, repair of environmental damage or the transfer of equipment from one place to another.

INCOME TAXES

The taxes in the income statement include current tax and deferred tax. Tax expenses are recognised in the income statement with the exception of items recognised directly in equity, in which case the tax impact is recognised correspondingly as part of equity. Current tax is calculated from taxable income using the tax rate enacted in each country. Taxes are adjusted with any taxes related to previous periods.

Deferred taxes are calculated for all temporary differences between the carrying amount and taxable amount. Deferred tax liabilities are not recognised for an initially recognised asset or liability in a transaction other than a business combination if the recognition of the asset or liability does not affect accounting or the taxable income at the time of transaction Deferred tax is not recognised for non-deductible goodwill nor for undistributed profits from subsidiaries when the difference is not expected to be reversed in the foreseeable future. The main temporary differences arise from depreciation of property, plant and equipment, revaluation of derivative financial instruments, defined benefit pension schemes, unused tax losses and fair value measurements made in conjunction with acquisitions. Deferred taxes are calculated using the tax rates enacted by the balance sheet date. A deferred tax asset is recognised to the extent that it is probable that taxable profit will be available in the future against which the temporary difference can be utilised.

INTEREST AND DIVIDEND

Interest income is recognised using the effective interest method and dividend yield at the time of vesting.

FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS

The Group’s financial assets are categorised into the following groups according to IAS 39 Financial Instruments, Recognition and Measurement: financial assets recognised at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. The categorisation is carried out based on the purpose for which the financial assets were acquired and is done in conjunction with the original acquisition.

A financial asset is assigned to the group ”recognised at fair value through profit or loss” if it was originally acquired to be held for trading or was designated as an asset recognised at fair value through profit or loss at the time of original recognition. The latter group includes investments administered on the basis of their fair value or investments involving one or more embedded derivative(s) that significantly change(s) the cash flows of the contract, in which case the whole compound instrument is measured at fair value. Financial assets held for trading have been acquired primarily to generate profit through changes in short-term market prices. Derivatives that do not fulfil the conditions for hedge accounting in IAS 39 have been categorised as held for trading. Held-for-trading derivatives and financial assets maturing in the following 12 months are included in current assets. The items in this group have been measured at fair value. Realised and unrealised gains and losses resulting from changes in fair value are recognised in the income statement in the period in which they are incurred.

Investments held to maturity are non-derivative financial assets that have fixed or determinable payments, that mature on a given date and that the Group positively intends to and is able to hold until maturity. They are measured at amortised cost and are included in non-current assets.

Loans and other receivables are non-derivative assets that have fixed or measurable payments, are not quoted on active markets and not held for trading by the Group. They are measured on the basis of amortised cost and are presented under trade and other receivables in the balance sheet depending on their nature: in non-current assets if they mature in more 12 months and in current assets otherwise.

Financial assets available for sale are non-derivative assets that have been expressly allocated to this group or have not been classified into any other group. They are included in non-current assets except if they are to be held for less than 12 months from the closing date, in which case they are recorded under current assets. Available-for-sale financial assets consist of shares and interest-bearing investments. They are measured at fair value or, when the fair value cannot be reliably determined, at cost. Changes in the fair value of available-for-sale financial assets are recorded in equity in the fair value reserve taking into consideration the tax impact. Changes in fair value are transferred from equity to the income statement when the investment is sold or if it is subjected to impairment and an impairment loss must be recognised on the investment.

Cash and cash equivalents consist of cash, bank deposits that can be withdrawn if demanded and other current, highly liquid investments. Items in cash and cash equivalents have a maximum maturity of three months from the date of acquisition. Credit accounts related to Group accounts are included in current interest-bearing liabilities and reported as set off, as the Group has a contractual, legally recognised right to settle or otherwise eliminate all or a portion of an amount due to a creditor

Transaction expenses are included in the original carrying amount of financial assets in the case of an item that is not measured at fair value through profit or loss. All of the purchases and sales of financial assets are recognised on the transaction date. Financial assets are derecognised if the Group loses the contractual right to cash flows or if it transfers substantial risks and income outside the Group.

FINANCIAL LIABILITIES

Financial liabilities are initially recognised at fair value. Transaction expenses are included in the original carrying amount of financial liabilities. All financial liabilities are later measured at amortised cost using the effective interest method Financial liabilities are included in current and non-current liabilities and they can be either interest-bearing or non-interest-bearing. The fair value of the liability component of a convertible bond is determined using the prevailing market interest rate for a similar debt at the time of issue. The liability component is recognised at amortised cost until it is exchanged for shares. The residual share of the amount received, that is, the equity share, has been recognised, less related taxes, under equity as a share option. The fair value measurement principles applied to all financial assets and liabilities are presented in Notes 24.

IMPAIRMENT OF FINANCIAL ASSETS

On each balance sheet date the Group assesses whether objective indication exists of impairment of an individual financial asset or a group of financial assets. A significant and long-lasting impairment of share investments, resulting in the fair value falling under the cost of acquisition, is an indication of impairment of available-for-sale shares. If indication of impairment exists, the losses accumulated in the impairment reserve are transferred to the income statement. The impairment loss of equity investments categorised as available-for-sale financial assets is not reversed through the income statement, whereas the reversal of impairment losses targeting interest rate instruments is carried out through profit or loss.

The Group recognises an impairment loss for trade receivables if objective indication exists that the receivable cannot be collected in full. Considerable financial difficulties of a debtor, likelihood of bankruptcy, default of payments or a payment delay of more than 90 days are indications of impairment of trade receivables. The amount of the impairment loss recognised in the income statement is determined as the difference between the carrying amount of the receivable and the present value of estimated future cash flows discounted using the effective interest rate. If the amount of the impairment loss decreases in a later period, and the decrease can be objectively related to an event subsequent to impairment recognition, the recognised loss is reversed through profit or loss.

BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they occur.

DIVIDEND DISTRIBUTION

The dividend proposed by the Board of Directors to the Annual General Meeting is not deducted from distributable equity until the Annual General Meeting makes its decision.

COMPLIANCE WITH NEW OR AMENDED IFRS STANDARDS

In 2007 the Group will adopt the following new standard published by IASB in 2005:

– IFRS 7 Financial Instruments: Disclosures

According to the Group’s estimates the new standard will mainly affect the notes to the consolidated financial statements. The Group will notice the note demands of IFRS 7 in its financial statements for 1.1.-31.12.2007.

PRESENTATION OF FIGURES

Unless otherwise indicated, the figures in the following notes are given in thousands of euro.

1.Segment information

Cencorp’s operations are reported primarily by business segment and secondarily by geographical segment. Cencorp Group has a production atuomation and laser business segment. The laser business, launched in 2005, did not generate andy revenue 1-3/2007, as the company continued to concentrate onproduct development. There has been delay of nearly one year in product development due to external factors. Cencorp's production units specialise in different product groups and engage in worldwide deliveries. Most of the Group's product development resources are located in Europe

The management monitors primarily the Group’s overall profitability. While slight differences in profitability can be seen between individual product groups and plants, no significant differencies in this respect can be detected within product groups. Pricing between business segments is carried out at fair market value. The Group's risks are independent of product group and geographical region.

Business segments

	Production automation	Laser business	Total
1-3/2007			
Income	3 820		3 820
Operating profit	-598	-111	-709
Profit for the period	-1 208	-128	-1 334
Assets	19 477	101	19 578
Liabilities	17 260	943	18 203
Investments	45	0	45
Depreciation and amortisation	307	2	309
2006			
Income	19 939	35	19 974
Operating profit	–3 049	–299	–3 348
Profit for the period	–4 606	–301	–4 907
Assets	21 031	110	21 141
Liabilities	17 681	827	18 508
Investments	436	0	436
Depreciation and amortisation	1 300	9	1 309

Geographical segments

The secondary geographical segment is divided into three sales areas:

– Europe
– Asia and Australia
– Americas

All product groups are sold in all sales areas. Key customers operate on a worldwide basis and call for local service. The segment’s profits are based on the customers’ geographic location, whereas its assets and investments are based on the location of assets.

	Europe	Asia and Australia	Americas	Group
1-3/2007				
Net sales	2 545	562	713	3 820
Segment’s assets	17 205	0	2 373	19 578
Investments	45	0	0	45
2006				
Net sales	7 989	5 393	6 592	19 974
Segment’s assets	18 580	0	2 561	21 141
Investments	376	0	60	436

2005				
Net sales	22 950	6 708	5 650	35 308
Segment's assets	21 816	0	3 298	25 114
Investments	1 734	0	33	1 767

Distribution of net sales	**Jan.-Mar. 2007**	**2006**	**2005**
Services	17	245	727
Goods	3 803	19 729	34 581

2. Other operating income

Sales proceeds from tangible assets		165	
Rental income from investment property	9	11	
Public subsidies		70	69
Divestment of the projects business			275
Insurance indemnities		2	57
Other income items	28	209	814
Total	37	446	1 215

3. Other operating expenses

Rental expenses	198	329	408
Research and development costs	203	512	2 201
Third-party services	329	1 786	2 340
Other expense items	998	2 742	2 045
Total	1728	5 369	6 994

4. Personnel expenses

Salaries	1 378	6 393	8 539
Retirement expenses - defined contribution plans	201	809	1 192
Share options granted		7	87
Other indirect employee expenses	99	564	696
Total	1 678	7 773	10 514

Information about the management's employment benefits is included in Note 26, Related party transactions.

5. Depreciation and impairment

Depreciation by commodity group			
Intangible assets			
Patents and other intangible rights	37	158	162
Capitalised development costs	178	705	646
Total	215	863	808
Property, plant and equipment			
Buildings	19	202	108
Machinery and equipment	42	208	265
Total	61	410	373
Impairment			
Impairment of current assets	33	36	
Total	33	36	

6. Financial income

Interest gains		2	7
Dividend yield			184
Exchange rate gains	40	94	408
Total	40	96	599

7.Financial expenses	**Jan.-Mar. 2007**	**2006**	**2005**
Interest expenses	292	1 055	724
Exchange rate losses	50	365	346
Other financial expenses	15	202	
Total	357	1 622	1 070

In 1-3/2007, items above operating profit/loss include a total of EUR -16 000 in exchange gains/losses (2006: 140.000 EUR, 2005: 56 000 EUR).
Interest expenses include EUR 0 of interest recognised as an expense for finance lease agreements for the period (EUR 2 000 in 2006 and 2005).

8. Income taxes	**Jan.-Mar. 2007**	**2006**	**2005**
Tax based on the taxable income for the financial year		–17	–40
Taxes from previous years			
Deferred taxes	1	–8	1 642
Total	1	–25	1 602

Statement on the differences between the tax expense in the income statement and taxes calculated using the tax rate of the Group’s home country (2006: 26%, 2005: 26%):

Profit before taxes	-1335	–4 874	289
Taxes calculated using the tax rate in the home country	-347	–1 267	75
Different tax rates of foreign subsidiaries	17	20	14
Use of unrecognised tax losses			–147
Use of deferred tax assets			1 690
Unrecognised deferred tax assets for tax losses	366	1 246	
Use of confirmed losses			
Other items	-35	26	–30
Taxes in the income statement		25	1 602
	1		

9. Earnings per share	**Jan.-Mar. 2007**	**2006**	**2005**

Undiluted earnings per share are calculated by dividing the profit attributable to equity holders of the parent by the weighted average of the number of outstanding shares during the period.

Profit attributable to equity holders of the parent (EUR 1 000)	-1334	–4 889	1 891
Weighted average number of shares during the period (1 000)	34 118	33 196	32 726
Undiluted earnings per share (EUR/share)	-0.05	–0,15	0,06

The dilutive potential ordinary shares have not been taken into account as required by IAS 33, paragraph 41, because it would reduce the loss per share.

10. Property, plant and equipment

March 31, 2007	**Buildings**	**Machinery and equipment**	**Land areas**	**Total**
Acquisition cost 1 Jan. 2007	4 129	5 817	115	10 061
Increase		68		
Transfer from investment property to buildings				
Acquisition cost 31 March 2007	4 129	5 885	115	10 129
Accumulated depreciation and impairment 1 Jan. 2007	-2 843	-5 508		-8 351
Depreciation and amortisation	-19	-42		-61
Decrease				
Exchange rate differences		-12		-12
Accumulated depreciation and impairment 31 March 2007	-2 882	-5 562		-8 412
Carrying amount 1 Jan. 2007	1 286	377	115	1 778
Carrying amount 31 March 2007	1 267	232	115	1 705

2006	**Buildings**	**Machinery and equipment**	**Land areas**	**Total**
Acquisition cost 1 Jan. 2006	3 480	5 817	115	9 412
Increase		68		68
Transfer from investment property to buildings	649			
Acquisition cost 31 Dec. 2006	4 129	5 885	115	10 446
Accumulated depreciation and impairment 1 Jan. 2006	–1 982	–5 179		–7 161
Depreciation and amortisation	–210	–197		–407
Decrease	–649	–118		–767
Exchange rate differences	–2	–14		–16
Accumulated depreciation and impairment 31 Dec.2006	–2 843	–5 508	0	–8 351
Carrying amount 1 Jan. 2006	1 498	638	115	2 251
Carrying amount 31 Dec. 2006	1 286	377	115	1 778

2005	Buildings	Machinery and equipment	Land areas	Total
Acquisition cost 1 Jan. 2005	4 243	5 386	296	9 925
Increase		431		431
Transfer to investment property	–763			
Acquisition cost 31 Dec. 2005	3 480	5 817	296	10 446
Accumulated depreciation and impairment 1 Jan. 2005	–1 725	–4 781	–46	–6 552
Depreciation and amortisation	–108	–265		–373
Reversed depreciation from transfers to investment property	212			
Decrease	–417	–179	–135	–731
Exchange rate differences	56	46		102
Accumulated depreciation and impairment 31.Dec. 2005	–1 982	–5 179	–181	–7342
Carrying amount 1 Jan. 2005	2 518	566	250	3334
Carrying amount 31 Dec. 2005	1 498	638	115	2251

Finance lease agreements

Tangible assets include the following property obtained on finance lease agreements:

	Buildings	Machinery and equipment	Total
Jan.-Mar. 2007			
Acquisition cost	2 008	34	2 042
Accumulated depreciation	813	20	833
Carrying amount	1 197	14	1 211
2006			
Acquisition cost	2 008	34	2 042
Accumulated depreciation	794	20	814
Carrying amount	1 214	14	1 228
2005			
Acquisition cost	2 008	34	2 042
Accumulated depreciation	727	9	736
Carrying amount	1 281	25	1 306

Cencorp Corporation has an agreement on real estate arrangements with the town of Lohja, which is treated as a financial event.
Real estate is included in the company’s fixed assets, and depreciation is recognised as planned.

11. Intangible assets

March 31, 2007	**Goodwill**	**Patents and other intangible rights**	**Product development in progress**	**Total**
Acquisition cost 1 Jan. 2007	3 488	7 042	1 198	11 728
Capitalised development costs				
Increase		42	41	83
Acquisition cost 31 March 2007	3 488	7 084	1 239	11 811
Accumulated depreciation 1.Jan.2007	-1 460	-6 031		-7 491
Depreciation and amortisation		-215		-215
Impairment				
Exchange rate differences		-16		-16
Accumulated depreciation 31 March 2007	-1 460	-6 248		-7 708
Carrying amount 1 Jan. 2007	2 028	1 016	1 198	4 242
Carrying amount 31 March 2007	2 028	822	1 239	4 089

2006	**Goodwill**	**Patents and other intangible rights**	**Product development in progress**	**Total**
Acquisition cost 1 Jan. 2006	3 362	6 938	1 133	10 061
Capitalised development costs				
Increase	126	104	65	295
Acquisition cost 31 Dec. 2006	3 488	7 042	1 198	11 728
Accumulated depreciation 1.1.2006	–1 460	–5 168		–6 628
Depreciation and amortisation		–863		–863
Impairment				0
Exchange rate differences		5		
Accumulated depreciation 31 Dec. 2006	–1 460	–6 031	0	–7 491
Carrying amount 1 Jan. 2006	1 902	1 770	1 133	4 805
Carrying amount 31 Dec. 2006	2 028	1 016	1 198	4 242

2005	Goodwill	Patents and other intangible rights	Product development in progress	Total
Acquisition cost 1 Jan. 2005	3 362	5 755	943	10 061
Capitalised development costs				
ncrease		1 183	190	1 373
Acquisition cost 31 Dec. 2005	3 362	6 938	1 133	11 433
Accumulated depreciation 1 Jan. 2005	–1 460	–4 381		–5 841
Depreciation and amortisation		–787		–787
Impairment				
Exchange rate differences				
Accumulated depreciation 31 Dec. 2005	–1 460	–5 168	0	–6 628
Carrying amount 1 Jan. 2005	1 902	1 668	650	4 220
Carrying amount 31 Dec.2005	1 902	1 770	1 133	4 805

No depreciation is carried out on goodwill in compliance with IFRS 3. Goodwill has been tested for impairment on the basis of the recoverable amount. Based on the tests carried out, there was no need to recognise an impairment loss on goodwill on consolidation in 2005 or 2006. No impairment was recognised in 2005 or 2006 by the Group, nor were there any indications of an impairment of any property

For the purpose of impairment testing in compliance with IAS 36, goodwill has been allocated in full to the Cencorp test solutions business. Cencorp test solutions was incorporated into Cencorp's other business when the companies merged on 1 January 2006, which is why the entire parent company was considered as the cash-generating unit when testing was carried out. There will be no need to write down goodwill in the future if the management's cash-flow forecasts become a reality. In impairment testing, a segment's recoverable amount has been determined on the basis of the value in use. Cash-flow forecasts are based on forecasts approved by the management, which cover a period of five years. The discount interest rate is 13%,

The management has estimated that a potential change in any of the key variables used would not, according to reasonable estimates, lead to a situation in which a segment's recoverable amount would fall under its carrying amount.

The main variables used to calculate the replacement cost are:

1. Budgeted sales margin - Determined on the basis of the average sales margin realised in the last three years. The value of the variable is based on actual figures. No significant changes are expected to take place in the sales margin during the estimate period.

2. Budgeted market share - Determined on the basis of the actual market share in the previous year. The value of the variable is based on actual figures. The market share is not expected to change essentially when also taking into account ongoing product development and the expected more intense competition.

12. Investment property

	March 31, 2007	2006	2005
Maintenance fees for investment property	1	20	18
Rental income from investment property	14	55	36
Transfer from working capital			551
At the beginning of the financial year	343	992	
Decrease		649	
Depreciation and amortisation	5	0	
Gains and losses from adjustments to fair value			441
At the end of the financial year	338	343	992

13. Available-for-sale investments

Kiinteistö Oy Musko one-week share
Helsinki Halli Oy B shares, 2 shares, Fortum Energiatalo Oy

	March 31, 2007	2006	2005
Unquoted share investments	17	17	21
Fair value	17	17	21

The cost of the shares has been considered to correspond to their fair values.

14. Deferred tax assets and liabilities

	31 Dec. 2006	Recognised in the income statement	Recognised under equity	Exchange rate differences	Acquired/ disposed subsidiaries	31 March 2007
Deferred tax assets						
Inventories:						
Internal margin	9	-1				8
Subordinated loand	10		1			11
Provisions	9	3				12
Confirmed losses	1 695					1 695
Total	1 723	2	1			1 726
Deferred tax liabilities						
Other items	361	-1	-29			331
Total	361	-1	-29			331

Changes in deferred taxes in 2006

	31 Dec. 2005	Recognised in the income statement	Recognised under equity	Exchange rate differences	Acquired/ disposed subsidiaries	31 Dec. 2006
Deferred tax assets						
Inventories:	10	-1				9
Internal margin						
Subordinated loan	133	10	-331			10
Provisions	48	-39				9
Confirmed losses	1 704	-9				1 695
Total	1 895	-39	-133			1 723
Deferred tax liabilities						
Other items	40	31	290			361
Total	40	31	290			361

Changes in deferred taxes in 2005

	31 Dec. 2004	Recognised in the income statement	Recognised under equity	Exchange rate differences	Acquired/ disposed subsidiaries	31 Dec. 2005
Deferred tax assets						
Inventories:	80	–70				10
Internal margin						
Subordinated loan		40	93			133
Provisions	77	–29				48
Confirmed losses	9	1 695				1 704
Total	166	1 636	93			1 896
Deferred tax liabilities						
Other items	46	6		-12		40
Total	46	6		-12		40

Deferred tax assets are recognised to the extent that it is probable that they can be used against taxable income in future financial years. On 31 December 2006, the Group had confirmed losses totalling EUR 22.2 million (EUR 24.4 million in 2005). The losses will expire in 2010-2014 No deferred tax liabilities have been recognised for the undistributed retained earnings of foreign subsidiaries because the assets have been permanently invested in the countries in question.

15. Inventories	**March 31, 2007**	**2006**	**2005**
Materials and supplies	2 748	2 791	2 402
Work in progress	807	1 097	1 244
Finished products	1 286	1 300	2 015
Total	4 841	5 188	5 661

16. Trade and other receivables	**March 31, 2007**	**2006**	**2005**
Trade receivables	4 601	5 589	8 051
Accrued income	906	966	562
Other receivables	375	357	557
Total	5 882	6 912	9 170

17. Cash and cash equivalents	**March 31, 2007**	**2006**	**2005**
Cash on hand and deposits	980	937	319
Total	980	937	319

Cash and cash equivalents in the cash flow statement consist of cash on hand and bank deposits

18. Notes to shareholders' equity

	number of shar (1 000)	share capital
1 Jan. 2005	31 250	3 125
31 Dec. 2005	31 250	3 125
Share issue	3 000	300
31 Dec. 2006	34 250	3 425
31 March 2007	34 250	3 425

The maximum number of shares is 60 million (2005: 60 million). The nominal value of the shares is EUR 0.10 per share, and the Group's maximum share capital is EUR 6.0 million All shares issued have been paid in full.

Share premium account
The items indicated in the old Companies Act, Chapter 12, Section 3a, are recognised in the share premium account.

Reserve fund
The provisions concerning the reserve fund were laid down in Chapter 12, Section 3 of the old Companies Act. The reserve fund is treated as restricted capital.

Translation differences
The account for translation differences contains the translation differences that arise from the conversion of foreign subsidiaries' financial statements. Gains and losses from the hedging of net investments in foreign subsidiaries are also included in translation differencies if the requirements for hedge accounting are met.

19. Share-based payments
(1 000 pcs)

During the financial year, the Group had 2004 A and B share option schemes in place. The options in question were granted to the company's key personnel. Option-based incentives are conditional, and their recognition is based on key factors presented in table below, such as the terms of the arrangement and the vesting terms.
The company's share price, on which the share options are based, was EUR 0,78 at the time the options were granted. The share-based options will expire if they are not exercised by January 31, 2009. If an employee leaves the company before the options vest, he or she will lose the options.

	March 31,2007 Exercise price as weighted average EUR/share	**Number of options**	**2006** Exercise price as weighted average EUR/share	**Number of options**	**2005** Exercise price as weighted average EUR/share	**Number of options**
At the beginning of the financial year	0.78	1999	0.35	3 000	0.35	3 000
			0.78	1 859		
New share options granted	0.56	350	0.78	140	0.78	1 859
	0.40	1 801				
Exercised share options			0.35	3 000	0.78	0
Share options expired			0.78	0	0.78	0
At the end of the financial year	0.78	1 999	0.78	1 999	0.35	3 000
	0.56	350			0.78	1 859
	0.40	1 801				
Exercisable share options	0.78	0	0.78	0	0.78	0
	0.56	350				
	0.40	1 801				

The Group applies the Black-Scholes formula for share options schemes, which does not set special conditions on vesting. The expected volatility has been determined by calculating the historical volatility of the Group's share price, adjusted by a general

Exercise price (eur)	2004 A, B	0.78		
	2006 A	0.56		
	2007 A	0.4		
Share option scheme	Share-based options, granted to key management			
Nature of scheme				
Grant date	Share options granted	Number of inst granted	Exercise price eur	Share price at the time of granting

	Feb. 6,2007	350	0.56	0.42

Term of options (years) according to the schem	3
Exercise	As shares
expected volatility	30 %
Expected term of option on grant date (years)	4
Risk-free interest	4 %
Expected dividend (dividend yield)	0 %
Expected staff reduction (on grant date)	0 %
Fair value of instrument determined on grant date.	0.42
Measurement model	Black-Scholes

No expenditure for share options recognised in Jan.-Mar.2007.

20. Provisions

	Warranty provision
1 Jan. 2007	98
Exchange rate differences	
Increase in provisions	36
Provisions exercised	-25
Reversals of unused provisions	-28
31 Mar. 2007	81

	March 31,2007	2006	2005
Non-current provisions		0	46
Current provisions	81	98	296
Total	81	98	342

Sales are recognised after the delivery of goods. A provision is made for estimated warranty expenses. On average, the company gives a one-year warranty for its products. Defects detected in products during the warranty period are repaired at the company’s cost, or the customer is given a corresponding product.

21. Interest-bearing liabilities

	Balance sheet values March 31,2007	Balance sheet values 2006	Balance sheet values 2005
Non-current			
Loans from financial institutions	4 432	4 435	1 590
Subordinated loan			2 878
Convertible loans	4 774	4 690	
Finance lease liabilities	1 191	1 231	1 478
Other liabilities			92
	10 397	**10 356**	**6 038**
Current			
Loans from financial institutions	1 977	1 394	4 230
Instalments of non-current loans	1 338	1 500	1 535
Finance lease liabilities	201	232	252
Other liabilities	92	92	
	3 608	**3 218**	**6 017**

Non-current liabilities mature in the following way:

March 31,2007	**2008**	**2009**	**2010**	**2011**	**2012**	**later**
Fixed-rate loans from financial institutions						
Floating-rate loans from financial institutions	1 200	1 200	1 200	567		
Convertible loans				5 739		
Finance lease liabilities	246	232	232	232	232	57
Other liabilities						
Total non-current liabilities	**1 446**	**1 432**	**1 432**	**6 538**	**289**	**87**

2006	**2007**	**2008**	**2009**	**2010**	**2011**	**later**
Fixed-rate loans from financial institutions	146					
Floating-rate loans from financial institutions	2 748	1 200	1 200	1 200	567	
Convertible loans					5 739	
Finance lease liabilities	232	246	232	232	232	289
Other liabilities	92					
Total non-current liabilities	3 218	1 446	1 432	1 432	6 538	289

2005	**2006**	**2007**	**2008**	**2009**	**2010**	**later**
Fixed-rate loans from financial institutions	73	73				
Floating-rate loans from financial institutions	1 201	243				
Finance lease liabilities	252	234	234	234	234	290
Other liabilities	42	42	8			
Total non-current liabilities	1 568	592	242	234	234	290

Non-current liabilities include a EUR 5 739 million convertible subordinated loan. The term of the loan is 13 October 2006 - 13 October 2011.

Main loan terms:
1. In the event of company dissolution or bankruptcy, the principle, interest and other compensation shall be paid at lower prioritythan that applied to other debt.

2.Repayment at maturity
The principal can only be repaid to the extent that the amount of the company's unrestricted equity and all subordinated loans exceeds the amount of loss confirmed for the most recently ended financial year or included in the balance sheet of more recent statements. If the conditions for repayment are not met on the maturity date, part of the principal shall be paid to the extent that this is possible considering the conditions. The remainder of the loan shall be paid on the basis of the first such financial statements that enable the payment.

3. Other matters pertaining to repayment
The company shall notify unit holders of repayment no later than 30 days prior to repayment in compliance with the section of the agreement concerning notifications. The loan principal shall be repaid to those who, at the commencement of the repayment date, are entitled to receive the payment according to the information in the relevant book-entry account. If the book-entry unit issued for a note unit is subject to temporary registration at the commencement of the maturity date as defined in these terms, of if the book-entries issued for the note unit are recorded in a consignment account at the commencement of the maturity date, the repayment shall be made on the basis of the information in the book-entry account. If repayment is not possible on the basis of the information recorded in the holder register, the payment shall be made to a party who can demonstrate that the book-entry issued for the note unit belonged to him or her at the commencement of the maturity date in accordance with the terms of the loan

4. Conditions for conversion into shares
The loan involves a special right to convert the note units into up to 10 000 000 new shares of the company. A note holder shall be entitled to subscribe to new shares on the basis of his or her note units so that the share subscription price is paid by setting off loan receivables of a note unit against the share subscription price.
Each EUR 0,70 note unit entitles the holder to convert the note unit into one share.The conversion rate is EUR 0,70. In special cases, the conversion rate may fall, reference to section 16 of the agreement. However, the conversion rate is always a minimum of EUR 0,01. If a note unit holder, upon conversion of note units into share, receives a fraction of a share, he or she shall receive a cash payment for said fraction. In such a case, the price of the share shall be the closing price of the share in continuous trading on the preceding trading day. If a note unit holder converts more than one note unit into shares at the same time, the number of full shares shall be calculated on the basis of the number of all note units. The conversion period for the notes shall begin on 1 November 2006 and end on 30 September 2011. The annual conversion period shall be from 2 January to 30 November.

5. The loan has a fixed annual interest rate of 6,75 %. The convertible bond is divided into equity and liabilities in the financial statements. The liabilities component has been adjusted with the difference between the interest expense and a interest expense calculated for amortised cost with the effective interest rate.

The breakdown by currency of interest-bearing non-current liabilities is as follows:

	March 31,2007	2006	2005
HUF	1510	1 510	12 219
EUR	6	6	48

The breakdown by currency of interest-bearing current liabilities is as follows:

HUF	1510	1 510	2 750
EUR	6	6	11

Maturity of finance lease liabilities

	March 31,2007	2006	2005
Finance lease liabilities – total of minimum lease payments			
Within twelve months	232	232	236
Over one year and not more than five years	720	720	773
Over five years	192	223	343
	1144	1175	1352

Finance lease liabilities – present value of minimum lease payments

Within twelve months	232	232	252
Over one year and not more than five years	912	942	936
Over five years	258	289	542
		1 463	1730

The finance leases paid EUR 3132,00 in Jan 1. - Mar.31 2007.

Financial expenses incurred in the future	24	25	27
Total finance lease liabilities	1402	1 463	1730

22. Accounts and other payables

	March 31,2007	2006	2005
Current			
Accounts payables	1 392	2 298	3 301
Accrued expenses	1 426	1 309	1 756
Other liabilities	983	843	717
Total	3 801	4 450	5 774

Material items included in accrued expenses consist of personnel expenses and accrued interest on liabilities.

23. Fair values of financial assets and liabilities

	Carrying amount March 31,2007	Fair value March 31,2007	Carrying amount 2006	Fair value 2006	Carrying amount 2005	Fair value 2005
Financial assets						
Available-for-sale investments	17	17	17	17	21	21
Accounts and other receivables	5 882	5 882	6 912	6 912	9 170	9 170
Cash and cash equivalents	980	980	937	937	319	319

The carrying amount of accounts and other receivables is considered to closely correspond to the fair value.

	Carrying amount March 31,2007	Fair value March 31,2007	Carrying amount 2006	Fair value 2006	Carrying amount 2005	Fair value 2005
Financial liabilities						
Bank loans	7 839	7 839	7 422	7 422	6 576	7 055
Other loan					2 878	2 878
Convertible loans	4 774	4 774	4 690	4 690		
Finance lease liabilities	1 402	1 402	1 463	1 463	1 730	1 730
Accounts and other payables	3 801	3 801	4 450	4 450	5 774	5 774

Range of fluctuation for the interest rate of interest-bearing liabilities

	Jan.-Mar. 2007	2006	2005
Loans from financial institutions	1.000–7.655	1.000–7.655	1.000–4.480
Finance lease liabilities	4.047–8.000	4.047–8.000	4.47–8.000

24. Business operations with no related payments	March 31,2007	2006	2005
Depreciation and amortisation	276	1 273	1181
Impairment	33	36	
Exchange rate differences	-79	75	–357
Employee benefits		7	87
Gains/losses from the measurement of investment property at fair value		441	
Total	230	1 391	1352

25. Contingent liabilities

	March 31,2007	2006	2005
Assets pledged for the company			
promissory notes secured by pledge	12687	12 687	12 452
inventories			
Other pledged assets			
mortgages on real estate	0	0	168
pledged securities	0	0	0

Leasing liabilities
Minimum leases payable on the basis of other non-cancellable lease agreements:

in one year	50	59	168
1–5 years	85	59	186

26. Related party transactions

The relations and shares between the parent company and subsidiaries are as follows:

Company	Domicile	Holding (%)	Share of votes (%)
Parent company Cencorp Oyj	Lohja, Finland		
PMJ testline Oy	Lohja, Finland	100.00 %	
Kiinteistö Oy Salon Ratakatu 10	Salo, Finland	100.00 %	
TMD Test Mechanic & Design Oy	Salo, Finland	100.00 %	
Singulase Oy	Espoo, Finland	100.00 %	
Cencorp AB	Sollentuna, Sweden	100.00 %	
Cencorp AS	Tallinn, Estonia	100.00 %	
Cencorp (UK) Ltd.	Hartford, UK	100.00 %	
Cencorp France S.A.R.L.	Marne la Vallee, Fran	99.00 %	100.00 %
Cencorp USA, Inc.	Dallas, Tx, USA	100.00 %	
Cencorp America, LLC.	McAllen, Tx, USA		100.00 %
Cencorp Kft	Budapest, Hungary	100.00 %	

The Group has purchased goods and services from companies in which the majority holding and/or power of decision granting control of the company is held by members of the Group’s related parties. Sales of goods and services carried out with related parties are based on market prices.

The Group entered into the following transactions with related parties:

a. Sales of goods and services	Jan.-Mar. 2007	2006	2005
related party companies: Photonium oy	78	357	310
b. Purchases of goods and sales			
related party companies: Photonium Oy	181	1 006	2 004
Fees paid on the basis of consultation agreements			
related party companies:			
Loyal Talent Espanja			33
FT Capital Oy	10	35	23
Convertible subordinated loan from related parties	650	650	
Accounts payables to related parties	116	512	352
Other receivables from related parties	508	447	100
Accounts receivables from related parties	8	337	350
c. Employment benefits of the management			
Wages and other short-term employment benefits	140	488	693
Share-based payments			
Benefits paid in conjunction with dismissal		6	
Post-employment benefits			
Other long-term employment benefits			
Wages and remuneration			
Managing directors	35	110	137
Board members and deputies			
Kielenniva		18	
Jokela		11	
Kiuru		7	
Stenman		3	
		39	
Kielenniva			4
Väinölä			4
Jokela			3
Välimäki			2
Stenman			
			13

There are no pension commitments with respect to the Managing Director.

27. Risk Management

Financial risks

Cencorp's normal business activities expose it to financial risk, interest rate risk, funding risk and credit risk. Risk management aims to minimise the adverse effects that changes in the financial markets may have on the Groups's results and balance sheet position. The Group's general risk management principles are approved by the Board of Directors, and their implementation is the joint responsibility of the Group's centralised financial department and the business areas. The financial department identifies, assesses and acquires the instruments needed to hedge against risks in close cooperation with the operational units. Hedging transactions are carried out in compliance with the risk management policy approved by Group management.

Liquidity risk

The Group continuously assesses and monitors the financing needed for business to ensure that it has enough liquid assets at its disposal to finance operations and repay loans falling due. The Group's financing policy determines the optimum size of the liquidity reserve. The maturity and amortisation of loans are planned so as to optimise liquidity. The availability and flexibility of financing are ensured through sufficient credit terms. In terms of the Group's business continuity, the sufficiency of financing constitutes the biggest risk in the financial period 2006 as well as in the review period due to a clear drop in profitability. The EUR 1.5 million factoring limit, re-arranged after the review period, and other financing instruments have eased the financial situation a bit but the Group's financial situation continues to be tight.

Currency risk

The Group's international operations expose it to transaction risks caused by foreign exchange positions and to risks arising from the translation of investments denominated in foreign currencies to the parent company's functional currency. USD is the most significant currency for the Group. Currency risks arise from purchases and sales carried out in a currency other than the Group's functional currency, from foreign currency denominated trade receivables and payables, as well as from net investments in foreign subsidiaries.

The primary sales and invoicing currency is EUR. If required, other commonly used currencies (USD, SEK, HUF and GBP) can also be used. Of these, USD accounts for 39% of overall sales in 2006 while the other currencies together account for less than 1%. The Group has foreign net investments in subsidiaries and is thus exposed to risk that arise from translating investments denominated in USD, SEK, HUF and GBP into parent company's functional currency. The Group has decided not to hedge net investments in foreign subsidiaries due to the small size of the investments. The Group's subsidiary in the USA has more USD-denominated intra-Group loans to cover its USD trade receivables. The parent company's net USD receivable has not been hedged.

Interest rate risk

The Group's revenue and operational cash flows are mostly independent of fluctuations in market rates. The Group is exposed to fair value interest rate risk (fixed rate debts) and cash flow interest rate risk (floating rate debts) mainly due to interest on debts. In compliance with the principles of risk management, at least 10% of the credit portfolio shall have an average duration of 3-6 years. On the balance sheet date, 50% of the credit portfolio was fixed rate, the bulk consisting of a five-year convertible subordinated loan. The Group's investments in market-priced shares and other instruments are minor, leading to market risk from investment activities being very small.

Credit risk

The Group does not have significant external credit pools thanks to its broad geographically widely distributed customer base. It only grants credit to companies with an impeccable credit rating. The parent company has intra-Group internal trade receivables, interest receivables and loan receivables from its US subsidiary worth a total of EUR 3.6 million, as well as a EUR 0.7 subordinated loan from its subsidiary, Singulase Corporation. The repayment is linked to the companies' future performance.

28. Events after review period

Decisions of The Annual General Meeting of Cencorp Corporation held on April 17, 2007

The financial statements for the fiscal year 2006 were approved. In accordance with the Board's proposal, it was resolved that no dividend shall be paid for the fiscal year January 1 - December 31, 2006. Likewise, it was resolved that the net loss of the fiscal year 2006 will be entered in the in the retained earnings account. Release from liability for the fiscal year January 1 - December 31, 2006 was granted to the members of the parent company's Board and the CEOs employed by the company during the fiscal year.

The Annual General Meeting passed a resolution to elect three members to the Board. The previous members elected to the Board were Mr. Jorma Kielenniva, Mr. Markku Jokela and Mr. Sauli Kiuru.

At the Board's organization meeting that was held after the Annual General Meeting, Jorma Kielenniva was elected Chairman of the Board and Markku Jokela Vice Chairman of the Board. Cencorp´s Vice President, Legal Affairs Mr. Ville Parpola continues as the secretary of the board. Jorma Kielenniva and Markku Jokela were elected as members of the Nomination and Compensation Committee. Mr Jorma Kielenniva was elected as the Chairman of the Nomination and Compensation Committee.

Tuokko Tilintarkastus Oy was elected as the Company's auditor, with Authorised Public Accountant Timo Tuokko to be the primarily responsible auditor.

In accordance with the Board's proposal, it was resolved that Articles of Association of the company will be changed as follows:

- Sections 3, 4 and 13 concerning share capital of the company, number of shares and voting rights attached to the shares were wholly or partly removed as redundant.
- Sections 8 and 9 concerning the right to sign for the company were amended to

correspond to the wording of the Companies Act.
- Section 11 concerning the notice of a General Meeting was amended to the effect that the notices can be delivered not earlier than three months prior to the General Meeting instead of the current two months.
- The list of matters to be considered at the Annual General Meeting of Shareholders was amended to correspond to the amended legislation.
- The reference concerning the date of registration in section regarding the Book-entry System was removed as redundant.
- Section concerning record date procedure was removed as redundant.
- The numbering of the sections in the Articles of Association was amended correspondingly due to the above amendments.

In accordance with the Board's proposal, it was resolved that the Board of Directors of the company is authorized to resolve on the issuance of shares and stock options and other special rights entitling to shares subject to chapter 10, section 1 of the Companies Act as follows.

The aggregate number of shares issued on the basis of the authorization may not exceed 10,000,000 shares. The Board of Directors is authorized to resolve on all the terms and conditions concerning the issue of shares and stock options and other special rights entitling to shares. Issuance of shares and other special rights entitling to shares can be carried out as a directed issue. Authorization is valid until further notice, however not more than five years from the decision by the Annual General Meeting of Shareholders.

29. Shares and Shareholders

The company had a total of 5 922 shareholders at the end of the period. The ten biggest shareholders held a total of 50.2 per cent of the company's shares and votes on 31 March 2007. The company's largest shareholder is Markku Jokela, the founder of PMJ, former CEO and current Deputy Chairman of the Board, who holds 25.1 per cent of the company's shares and voting rights. The members of the company's Board of Directors held, either directly or through companies controlled by them, a total of 9 691 614 shares on 31 March 2007, representing 28.3 per cent of the company's shares and voting rights. CEO Jouni Suutarinen owned 300 shares at the year end. Shares owned by foreign shareholders on 31 March 2007 totalled 120 600, representing 0.35 per cent of all shares and voting rights. Cencorp Corporation did not own any of its own shares at the end of the year.

TEN LARGEST SHAREHOLDERS 31 MARCH.2007

	SHARES/VOTES	%
1. Jokela Markku	8 607 757	25.13
2. Sampo Bank plc	3 000 000	8.76
3. Etra Invest Oy	2 800 000	8.18
4. FIM Securities	962 058	2.81
5. FIM Nordic equity fund	396 950	1.16
6. Danilostock Oy	312 500	0.91
7. Jokela Joni	296 000	0.86
8. Jokela Pirjo	296 000	0.86
9. Trobe Oy	290 000	0.85
10. Nordea Pankki Finland, (nominee reg.)	240 223	0.70
Nominee registered	317 373	0.93
Others, total	16 731 730	48.85
Total	34 250 591	100.0

DISTRIBUTION OF SHARES 31 MARCH 2007

	OWNERS	%	SHARES/VOTES	%
1–500	2 884	48.1	645 299	1.9
501–1 000	980	16.4	851 929	2.5
1 001–10 000	1 806	30.2	6 593 663	19.2
10 001–100 000	302	5,0	7 308 012	21.3
100 001–999 999 999 999	20	0.3	18 581 688	54.3
In joint account			270 000	0.8
Total	5 992	100.0	34 250 591	100.0

OWNERS BY SECTORS 31 MARCH 2007

	NUMBER	%	SHARES/VOTES	%
Corporations	292	4.9	6 677 079	19.5
Financial and insurance corporations	8	0.1	3 320 773	9.7
Households	5 647	94.2	23 398 288	68.3
Foreign owners	35	0.6	133 600	0.4
General government	1	0.0	32 400	0.1
Non-profit institutions	9	0.2	418 451	1.2
In joint account			270 000	0.8
Total	5 922	100,0	34 250 591	100,0

Key Figures

eur 1 000	IFRS March 31,2007 3 months	IFRS 2006 12 months	IFRS 2005 12 months	IFRS 2004 12 months	FAS 2003 12 months	FAS 2002 12 months
Net sales	3 820	19 974	35 308	32 473	31 962	38 307
Operating profit	-1 018	–3 348	760	–541	607	–7 274
% of net sales	-26.60 %	–16.8%	2.2	–1.7	1.9	–19.0
Profit/loss before extraordinary items	-1 335	–4 874	289	–1 294	–230	–9 005
% of net sales	-34.90 %	–24.4%	0.8	–4.0	–0.7	–23.5
Profit/loss before taxes	-1 335	–4 874	289	–1 294	–230	–9 005
% of net sales	-34.90 %	–24.4%	0.8	–4.0	–0.7	–23.5
Return on equity,	-67.94	–103.0%	34.40 %	–31.2%	–8.6	–95.8
Return on capital employed,	-6.30 %	–18.7%	7.30 %	–1.5%	6.9	–22.8
Equity ratio,	6.80 %	12.70 %	27.50 %	17.60 %	17.3	18.5
Net gearing,	1064.50 %	467.90 %	171.00 %	293.70 %	310.4	325.2
Non-interest-bearing liabilities	3 801	4 835	5 853	6 498	5 099	4 487
Interest-bearing liabilities	15 036	14 610	12 055	14 383	13 189	18 682
Gross investments	45	436	1 767	860	3 096	671
% of net sales	1.20 %	2.20 %	5.00 %	2.6	9.7	1.8
Research and development costs	203	512	2 201	2 148	1 613	1 482
% of net sales	5.30 %	2.60 %	6.20 %	6.6	5	3.9
Order book, million	2.7	2.3	1.6	6.5	5.2	4.9
Personnel on average	139	185	214	263	292	357
Personnel at the end of the period	132	156	205	207	282	318
Share key indicators						
Earnings per share (diluted), EUR	-0.05	–0.14	0.06	–0.04	–0.02	–0.37
Earnings per share (undiluted), EUR	-0.04	–0.15	0.06	–0.05	–0.01	–0.33
Shareholders’ equity per share, EUR	0.04	0.08	0 22	0 13	0 16	0.18
Dividend per share, EUR		0	0	0	0	0
Dividend on profit, %		0	0	0	0	0
Effective dividend yield, %		0	0	0	0	0
P/E ratio (diluted)	-6.2	–3.1	24	–15.16		
P/E ratio (undiluted)	-7.9	–3.1	23	–14.50	–48.1	–1.1
Share price 31 March	0.31	0.44	1.23	0.66	0.71	0.36
Market capitalisation. EUR million	11	15	38	21	20	10
Share trading adjusted for share issue	2 824 538	25 765 595	29 948 868	15 431 020	17 747 793	10 511 937
Portion of the weighted average of shares, %	8,3	77,6	91,5	51.9	63.1	37.4
Weighted average of the number of shares adjusted for share issue over the financial year	34 117 527	33 196 044	32 725 627	29 707 882	28 133 470	28 133 470
Number of shares adjusted for share issue a at the end of the financial year	34 250 591	34 250 591	31 250 591	31 250 591	28 133 470	28 133 470
Average number of shares, diluted by stock options, over the financial year	26 843 591	34 513 135	33 455 136	31 063 991	25 346 954	24 622 107

CALCULATION OF KEY FIGURES

Return on equity (ROE), %:

Profit/loss before extraordinary items – taxes x 100
Shareholder's equity + minority interest (average)

Return on investment (ROI), %:

Profit/loss before extraordinary items + interest and other financial expenses x 100
Balance sheet total – non-interest-bearing liabilities (average)

Equity ratio, %:

Shareholders' equity + minority interest x 100
Balance sheet total – advances received

Net gearing, %:

Interest-bearing liabilities – cash and cash equivalents and marketable securities x 100
Shareholder's equity + minority interest

Earnings per share (EPS):

Profit before extraordinary items +/– minority interest of profit/loss for the period – taxes
Number of shares adjusted for share issue (average)

Equity per share:

Shareholder's equity
Number of shares adjusted for share issue at the end of the financial year

Dividend per share:

Dividend paid in the financial year
Number of shares adjusted for share issue at the end of the financial year

Dividend on profit, %:

Dividend per share x 100
Earnings per share

Effective dividend yield, %:

Dividend per share x 100
Closing price on the financial statements date

P/E ratio:

Closing price on the financial statements date
Earnings per share

Parent Company Income Statement	Notes	1.1.-31.3.2007		1.1.–31.12.2006		1.1.–31.12.2005	
Net sales	1	3 549 427.92	100.0 %	15 014 900.72	100.00 %	23 669 356.16	100.00 %
Increase (+) / decrease (–) in inventories of							
finished goods and work in progress		287 456.47		273 864.76		–3 205 979.38	
Production for own use							
Other operating income	2	37 613.88		297 354.56		1 167 040.55	
Materials and services	3						
Materials and supplies							
Purchases during the financial year		1 220 453.05		6 899 901.14		8 890 580.71	
Change in inventories		79 332.36		–405 144.67		564 846.24	
Third-party services		264 814.32		1 090 825.42		2 957 606.42	
Personnel expenses	5	1 205 207.63		5 556 783.24		5 436 192.09	
Depreciation and impairment	7						
Planned depreciation		356 112.34		1 469 417.69		995 449.83	
Impairment		33 558.13		36 309.65		394 942.63	
Other operating expenses	8	809 632.59		4 088 362.63		4 239 329.39	
Operating profit		-669 525.09	-18.9 %	–3 150 335.06	–21.0%	–1 848 529.98	–7.8%
Financial income and expenses	9						
Income from participations in group							
undertakings						183 984.81	
Other interest and financial income							
Group undertakings		50 998.13		155 865.24		256 299.21	
Others		0		52 654.40		1 887.28	
Interest expenses and other financial expenses		-15 571.09					
Group undertakings		0		0		–20 599.56	
Others		-248 590.95		–1 649 033.50		–1 002 882.37	
Exchange rate differences		-26 663.84		–7 710.69		329 944.22	
Profit/loss before							
extraordinary items		-909 352.84	-25.6 %	–4 598 559.61	–30.6%	–2 099 896.39	–8.9%
Extraordinary items	10						
Extraordinary income		0		300 000.00		2 532 000.00	
Extraordinary expenses		0		–2 216 997.15			
Profit/loss before							
taxes and provisions		-909 352.84		–6 515 556.76		432 103.61	
Appropriations							
Increase(–) / decrease (+) in depreciation difference		-3 914.64		21 275.02		30 198.93	
Income taxes		-4.27		–1 438.91		–106.85	
Profit for the period		-913 271.75	-25.7 %	–6 495 720.65	–43.3%	462 195.69	2.00 %

Parent Company Balance Sheet

	Notes	31.03.2007		31.12.2006		31.12.2005	
assets							
fixed assets							
Intangible assets	**12**						
Product development expenses		352 491.25		528 778.01		1 233 925.01	
Intangible rights		421 564.64		458 628.69		526 181.45	
Other long-term expenses		1 537 657.28		1 637 981.53		98 966.37	
Incomplete product development projects		1 238 885.72	3 550 598.89	1 198 900.31	3 824 288.54	1 134 302.15	2 993 374.98
Tangible assets							
Land and water areas		115 428.31		115 428.31		115 428.31	
Buildings and structures		1 197 158.28		1 213 876.40		1 280 748.98	
Machinery and equipment		200 542.72	1 513 129.31	223 716.57	1 553 021.28	228 080.85	1 624 258.14
Investments							
Shares and participations in group undertakings	**13**	569 731.60		569 731.60		5 430 509.41	
Other shares and participations		16 600.15	586 331.75	16 600.15	586 331.75	10 091.28	5 440 600.69
							10 058 233.81
Current assets							
Inventories							
Materials and supplies		2 363 175.92		2 445 917.46		1 731 939.24	
Stock of semi-finished goods		8 097.61		4 688.43			
Work in progress		665 063.24		946 034.89		979 139.88	
Finished products		1 159 035.55	4 195 372.32	1 165 520.37	4 562 161.15	909 431.36	3 620 510.48
Receivables							
Non-current							
From group undertakings	**14**	2 375 771.46		2 292 647.36		1 695 346.27	1 695 346.27
Other non-current receivables		8 750.00	2 384 521.46	8 750.00	2 301 397.36		
Current							
Accounts receivables		3 256 519.82		3 989 646.16		5 198 150.67	
From group undertakings	**14**	3 592 934.40		3 002 091.01		5 181 548.78	
Other receivables		363 826.54		334 184.98		332 474.65	
Accrued income	**15**	810 134.15	8 023 414.91	797 059.30	8 122 981.45	358 231.66	11 070 405.76
Cash and cash equivalents		22 740.01	22 740.01	14 808.94	14 808.94	6 387.56	6 387.56
total assets		20 276 108.65			20 964 990.47		26 450 883.88

Parent Company Balance Sheet

	Notes	31.03.2007		31.12.2006		31.12.2005	
liabilities							
EQUITY	16						
Share capital		3 425 059.10		3 425 059.10		3 125 059.10	
Share premium account		4 695 570.81		4 695 570.81		3 945 570.81	
Reserve fund		211 384.16		211 384.16		211 384.16	
Profit or loss brought forward		399 129.14		399 129.14		6 600.12	
Profit or loss for the period		-7 408 992.40		–6 495 720.65		462 195.69	
Subordinated loan			1 322 150.81		2 235 422,56	3 000 000.00	10 750 809.88
ACCUMULATED APPROPRIATIONS							
Depreciation difference		29 136.46	29 136.46	25 221.82	25 221.82	4 781.04	4 781.04
OBLIGATORY PROVISIONS	17						
Other obligatory provisions		80 692.47	80 692.47	97 698.90	97 698.90	293 932.59	293 932.59
LIABILITIES							
Non-current	18						
Convertible loans		5 739 007.40		5 739 007.40			
Loans from financial institutions		4 422 877.75		4 422 877.75		1 544 464.38	
Other		1 217 343.77	11 379 228.92	1 217 343.77	11 379 228.92	1 541 722.14	3 086 186.52
Current							
Loans from financial institutions		3 315 021.78		2 894 648.24		7 670 933.38	
Advances received		682 937.00		344 000.00		114 000.00	
Accounts payables		1 089 574.14		1 973 374.03		2 329 403.39	
Debts to group undertakings	19	732 185.29		424 990.37		275 220.17	
Other		450 422.67		548 643.12		415 770.31	
Accrued liabilities	20	1 194 759.11	7 464 899.99	1 041 762.51	7 227 418.27	1 509 846.60	12 315 173.85
total liabilities		20 276 108.65			20 964 990.47		26 450 883.88

Parent Company Cash Flow Statement

	31.03.2007	2006	2005
Cash flow from business operations:			
Operating profit	-670	–3 150	–1 849
Planned depreciation	390	1 505	1 390
Reversal of accrual-based items	-17	–196	–163
Cash flow before changes in working capital	-296	–1 841	–621
Change in working capital:			
Increase (–) / decrease (+) in current non-interest-bearing trade receivables	315	–167	3 091
Increase (–) / decrease (+) in inventories	367	–942	3 771
Increase (+)/ decrease (–) in advances received	339	230	–1 708
Increase (+) / decrease (–) in current non-interest-bearing liabilities	-227	–202	–345
Cash flow from business operations before financial items and taxes	497	–2 922	4 189
Increase (–) / decrease (+) in financing to subsidiaries	-295	2 108	–1 866
Financial income and expenses	-234	–1 106	2
Direct taxes paid	0	–1	–107
Cash flow from business operations	**-32**	–1 922	2 217
Cash flow from investments:			
Investments in tangible and intangible assets	-43	–155	–1 484
Proceeds from the disposal of tangible and intangible assets	0	62	12
Proceeds from the disposal of other investments			17
Cash flow from investments	-43	–93	–1 455
Cash flow from financing activities:			
Rights issues	0	1 050	0
Change in current loans	83	–4 319	1 066
Change in non-current loans	0	5 293	–2 612
Cash flow from financing activities	83	2 024	–1 546
Increase (+)/ decrease (–) in cash and cash equivalents	8	9	–784
Cash and cash equivalents at the beginning of the period	15	6	790
Cash and cash equivalents at the end of the period	23	15	6
	8	9	–783

NOTES CONCERNING INCOME STATEMENT

1. DISTRIBUTION OF NET SALES BY MARKET AREA (EUR 1 000)

		Parent company		
		31.03.2007	**2006**	**2005**
Europe	70 %	2 499	7 676	19 054
The Americas	14 %	489	2 586	869
Asia and Australia	16 %	561	4 753	3 746
Total		3 549	15 015	23 669

2. OTHER OPERATING INCOME (EUR 1 000)

Rental income	9	48	36
Sale of Otacco rights to Photonium Oy	0	0	275
Subsidies	0	70	69
Other income	29	179	787
	38	297	1 167

3. MATERIALS AND SERVICES

Materials and supplies			
Purchases during the financial year	1 220	6 900	8 890
Change in inventories	79	–405	565
	1 299	6 495	9 455
Third-party services	265	1 091	2 958
Total materials and services	1 564	7 586	12 413

4. PERSONNEL

During the financial year,

	Group			parent company		
	31.03.2007	2006	2005	31.03.2007	2006	2005
the company employed an average of						
clerical workers	100	135	160	65	97	89
workers	39	50	54	35	38	30
	139	185	214	100	135	119
At the end of the year						
clerical workers	95	110	153	63	68	89
workers	37	46	52	35	36	30
	132	156	205	98	104	119

5. PERSONNEL EXPENSES (EUR 1 000)

	31.03.2007	2006	2005
Wages and remuneration	1 003	4 613	4 658
Retirement expenses	171	697	847
Other indirect employee expenses	40	257	275
Total personnel expenses	1 214	5 567	5 780
Personnel expenses capitalised to R&D expenses before the deduction of grants	8	10	344

6. ORGANS

Salaries of the Managing Director and his deputies	35	136	192
Fees of Board members	0	38	13

Retirement contributions of the Board of Directors and the Managing Director
There are no pension commitments with respect to the Managing Director.

Loans to related parties
No loans have been granted to the company’s Managing Director, Board members or shareholders.

7. DEPRECIATION AND IMPAIRMENT (EUR 1 000)

Planned depreciation	356	1 469	995
Impairment on fixed assets	0	0	395
Exceptional impairment on current assets	34	36	0
Total	390	1 505	1 390

8. OTHER OPERATING EXPENSES (EUR 1 000)

Other personnel expenses	26	95	185
Transport and vehicle expenses	39	272	214
Travel, marketing and representation expenses	124	763	724
Real estate expenses	114	573	325
Telecommunications expenses	179	659	617
Third-party services	299	1 374	1 588
Other operating expenses	104	352	586
Total	885	4 088	4 239

9. FINANCIAL INCOME AND EXPENSES (EUR 1 000)

Dividend yield			
Group undertakings	0	0	184
Others	0	0	
Total dividend yield	0	0	184
Total interest income from long-term investments			
Group undertakings	51	156	256
Others			
Total interest income from long-term investments	51	156	256
Other interest and financial income			
Group undertakings			
Others	0	53	2
Total other interest income	0	53	2
Total other interest and financial income	0	53	2
Total interest income from long-term investments and other interest income.	51	209	258
Interest expenses and other financial expenses			
Group undertakings		0	21
Others	264	–1 649	954
Total interest expenses	264	–1 649	975
Total interest expenses and other financial expenses	264	–1 649	975
Total financial income and expenses	240	–1 448	–533
Exchange losses/gains (net)	-27	–8	330

10. EXTRAORDINARY ITEMS

Extraordinary income/Group contribution	0	300	2 532
Extraordinary expenses: merger loss	0	2 217	0
	0	1 917	2 532

NOTES CONCERNING BALANCE SHEET ASSETS

11. UNDEPRECIATED CAPITALISED PRODUCT DEVELOPMENT EXPENSES (EUR 1 000)

Increase in product development capitalisation	40	65	1 190
Development expenses	352	529	1 234
Incomplete product development projects	1239	1 199	1 134
	1591	1 728	2 368

No depreciation is made on product development projects in progress.

In the fibre laser business, the focus in product development was shifted to the cutting of thin circuit-board materials. circuit-board materials. The development of test equipment was continued, particularly with respect to mobile phone radio frequency testers related to the MLT product concept. The company also launched the development of a more inexpensive MLT4 device. The development of a new type of "in-hole" laser soldering method was started in collaboration with Philips Lighting. The range of depaneling equipment was expanded by developing the new Cencorp 1000 VR, whose official release was postponed to the beginning of 2007.

12. TANGIBLE AND INTANGIBLE ASSETS

	Intangible assets				Tangible assets			
Acquisition cost 1 Jan. 2007	6 688	1 430	2 666	10 784	115	2008	3 472	5 595
Increase	40	1	0	41	0	0	2	2
Decrease	0	0	0			0	0	0
Acquisition cost 31 March 2007	6 728	1 431	2 666	10 825	115	2 008	3 474	5 597
Accumulated depreciation and impairment 1 Jan. 2007	4 960	972	1 028	6 960		794	3 248	4 042
Accumulated depreciation of decreases and transfers								
Depreciation for the period	176	38	100	314		17	25	42
Impairment								
Accumulated depreciation 31 March 2007	5 136	1 010	1 128	7 274		811	3 273	4 084
Carrying amount 31 March 2007	1 592	421	1 538	3 551	115	1 197	201	1 513
Carrying amount 31 Dec. 2006	1 728	458	1 638	3 824	115	1 214	224	1 553

*) also includes development expenses for product development projects in progress

The real estate arrangements with the town of Lohja are treated as a financial event.
Real estate is included in the parent company's fixed assets, and depreciation is recognised as planned.

13. HOLDINGS IN GROUP UNDERTAKINGS

	Domicile	Parent company's Holdings	Group's Holdings
PMJ testline Oy	Lohja, Finland	100.00 %	
Kiinteistö Oy Salon Ratakatu 10	Salo, Finland	100.00 %	
TMD Test Mechanic & Design Oy	Salo, Finland	100.00 %	
Singulase Oy	Espoo, Finland	100.00 %	
Cencorp AB	Sollentuna, Sweden	100.00 %	
Cencorp AS	Tallinn, Estonia	100.00 %	
Cencorp UK Ltd.	Hartford, UK	100.00 %	
Cencorp S.A.R.L.	Marne la Vallee, France	99.00 %	100.00 %
Cencorp USA, Inc.	Dallas Tx, USA	100.00 %	
Cencorp Americas, LLC.	Mcallen Tx, USA		100.00 %
Cencorp Kft.	Budapest, Hungary	100.00 %	

14. RECEIVABLES FROM GROUP UNDERTAKINGS (EUR 1 000)

	Parent company		
	31.03.2007	2006	2005
Non-current			
Loan receivables	2 376	2 293	1 695
Current			
Accounts receivables	1 605	1 298	907
Loan receivables	1 749	1 704	3 446
Other current receivables	960	919	829
Total	4 314	3 921	5 182

15. ACCRUED INCOME (EUR 1 000)

Subsidies	83	83	270
Other accrued income	727	714	88
Total	810	797	358

NOTES CONCERNING BALANCE SHEET LIABILITIES

16. SHAREHOLDERS' EQUITY (EUR 1 000)

Changes in shareholders' equity

Share capital at the beginning of the financial year	3 425	3 125	3 125
Directed issue, use of share options	0	300	
Share capital at the end of the financial year	3 425	3 425	3 125
Share premium reserve at the beginning of the financial year	4 695	3 945	6 445
Directed issue, use of share options	0	750	
Transferred from share premium reserve to retained earnings			–2 500
Share premium reserve at the end of the financial year	4 695	4 695	3 945
Reserve fund at the beginning of the financial year	211	211	211
Reserve fund at the end of the financial year	211	211	211
Assets at the beginning of the financial year	-6 096	470	–2 500
Transferred from share premium reserve to retained earnings			2 500
Adjustment to the profit/loss of the previous financial year	0	–70	8
Profit for the period	-913	–6 496	462
Assets at the end of the financial year	-7 009	–6 096	470
Total equity	1322	2 235	10 751
Subordinated loan at the beginning of the financial year	0	3 000	3 000
Repayment of subordinated loan	0	–3 000	
Subordinated loan at the end of the financial year	0	0	3 000

The company had a EUR 3 million subordinated loan within the meaning of section 5 of the Companies Act, converted into a EUR 5739 million convertible subordinated loan on 13 October 2006.
The loan has a fixed annual interest rate of 6.75%. Interest is paid annually in arrears, the first payment date being 13 October 2007. Interest accrued by the end of the financial year is EUR 83 844 54.
The interest has been recognised in the parent company's profit. See section 18 below.

17. OBLIGATORY PROVISIONS (EUR 1 000)

	31.03.2007	2006	2005
Recognition provisions	42	29	115
Warranty provision	36	66	158
Other obligatory provisions	3	3	21
Total	81	98	294

18. NON-CURRENT LIABILITIES (EUR 1 000)

Items included in non-current liabilities that mature in five years or more:

Other non-current liabilities	290	280	290
Total	290	280	290

Itemisation of issued convertible loans:
The term of the loan is 13 October 2006–13 October 2011.

CURRENT LIABILITIES

19. LIABILITIES TO GROUP UNDERTAKINGS (EUR 1 000)

Accounts payables	679	424	275
Other current liabilities	19	1	
Total	698	425	275

20. ACCRUED EXPENSES (EUR 1 000)

Accrued interest	202	162	532
Accrued personnel expenses	620	594	719
Provisions for commissions	328	201	252
Other accrued expenses	45	85	7
Total accrued expenses	1 195	1 042	1 510

21. COLLATERAL AND CONTINGENT LIABILITIES (EUR 1 000)

Loans from financial institutions	13 057	13 057	7 275
Business mortgages	12 687	12 687	12 452
Mortgages on real estate	0	0	0
Other liabilities	1 541	1 541	1 815
Mortgages on real estate		0	0
Bank guarantee limit	151	151	330
Mortgages on real estate	0	0	0
Pledged as security			
Total business mortgages	12 687	12 687	12 452
Total mortgages on real estate	0	0	0
Leasing liabilities			
Maturing the following year	110	112	168
Maturing later	84	103	186

SIGNATURES OF THE BOARD

Lohja, June 29, 2007

Jorma Kielenniva
Chairman

Markku Jokela

Sauli Kiuru