

Cencorp Corporation Interim Report for 1 January – 30 June 2007

April-June 2007

- Net sales amounted to EUR 4.1 (6.8) million
- Operating profit (EBIT) totalled EUR -0.6 (0.1) million
- Profit before taxes was EUR -1.0 (-0.2) million
- Equity ratio stood at 1.9% (20.7%).

The figures given for comparison are those for the corresponding period in the previous year unless otherwise stated.

The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting.

Group's key figures

(unaudited) EUR 1,000	4-6/2007	4-6/2006	1-6/2007	1-6/2006	1-12/2006
Net sales	4 077	6 817	7 897	12 760	19 974
Operating profit/loss (EBIT)	-636	141	-1 654	-1 101	-3 348
% of net sales	-16 %	2 %	-21 %	-9 %	-17 %
Profit/loss before taxes (EBT)	-970	-191	-2 305	-1 630	-4 874
% of net sales	-24 %	-3 %	-29 %	-13 %	-24 %
Research and development costs	263	67	466	254	512
% of net sales	7 %	1 %	6 %	2 %	2 %
Equity ratio, %	2 %	21 %	2 %	21 %	13 %
Personnel on average	129	192	135	199	185
Personnel at the end of period	132	187	132	187	156
Profit/share (diluted), EUR	-0.04	-0.01	-0.09	-0.05	-0.14

Net sales and earnings performance

April-June 2007

Net sales in April-June 2007 totalled EUR 4.1 million (EUR 6.8 million) while operating profit (EBIT) amounted to EUR -0.6 million (EUR 0.1 million). The Group's net financial items were EUR -0.3 (-0.3) million. Profit before taxes totalled EUR -1.0 (-0.2) million. Earnings per share were EUR -0.04 (-0.01).

January-June 2007

Cencorp's net sales amounted to EUR 7.9 (12.8) million. Operating profit was EUR -1.7 (-1.1) million. The Group's net financial items for the review period were EUR -0.6 (-0.5) million. Profit before taxes totalled EUR -2.3 (-1.6) million. The net profit for the period was EUR -2.3 (-1.6) million. Diluted earnings per share were EUR -0.09 (-0.05). Measures launched in the previous financial year to improve business efficiency affect as planned and the group's fixed costs were EUR 1.8 million less than in the previous year.

Cencorp Corporation's net sales came from one business segment: the automation and testing business. The laser business, which has been moved to Cencorp Corporation's subsidiary Singulase Corporation, did not generate any revenue in the review period, as the company still concentrated on product development. Product development has been delayed by more than one year due to factors outside the Group's control. The operating loss of the automation and testing business amounted to EUR -1.5 (-1.0) million, while earnings before taxes stood at EUR -2.2 (-1.5) million and the net loss for the period at EUR -2.2 (-1.5) million. Singulase Corporation recorded an operating profit, profit before taxes and net loss for the period of EUR -0.1 (-0.1) million.

Balance sheet and financing

The balance sheet figures at 30 June 2007 are compared to those at 31 December 2006.

At the end of the review period, the balance sheet total was EUR 18.3 (21.1) million. The company's cash flow after investments was EUR 0.6 (-2.6) million, while interest-bearing net debts at the end of the review period amounted to EUR 13.2 (13.7) million. Accounts receivables decreased to EUR 3.8 (5.6) million, and inventories decreased to EUR 4.8 (5.2) million.

Non-interest-bearing liabilities amounted to EUR 4.4 (4.8) million and interest bearing liabilities to EUR 14.2 (14.6) million. The equity ratio was 1.9% (12.7%).

Gross investments in January-June totalled EUR 0.04 (0.4) million, or 1.0% (2.2%) of the period's net sales, and mainly came from product development.

Events in the review period

Details about events in the review period are available in Cencorp Corporation's stock exchange releases on Cencorp's website at www.cencorp.com.

New Vice President, Sales and Marketing

M.Sc. Mr. Kimmo Akiander (B. 1969) has been nominated as Vice President, Sales and Marketing of Cencorp Corporation starting on April 10, 2007. 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.

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 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.

Tilintarkastus Tuokko 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.

Cencorp Corporation's interim financial statements based on companies act 20:23

Cencorp Corporation published on June 29, 2007 interim financial statements January 1, 2007 – March 31, 2007 and report of the Board based on companies act 20:23§. Documents are available at the Company's web site at www.cencorp.com

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 by liquidator Attorney-at-Law Mr. Mikko Tuononen. Liquidation procedure will be finished before end of financial year 2007.

NOTIFICATIONS PURSUANT TO CHAPTER 2, SECTION 9, OF THE SECURITIES MARKET ACT

No notifications pursuant to chapter 2, section 9, of the Securities Market Act were published during the review period.

EVENTS AFTER THE REVIEW PERIOD

There were no published events after the review period

Business environment and customers

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 sales in the second quarter were emphasized quite evenly to all product groups. The prevailing boom in the metal industry in Finland caused challenges in purchasing components and machining parts. Thus, there were delays in deliveries of some customer projects and decrease in the margins.

There was a major consolidation in the clientele as contract manufacturer Flextronics International announced to buy contract manufacturer Solectron Corporation. In order to respond better especially to the contract manufacturers' continuing improvement of operations and cost-level cutting, Cencorp will launch a new product platform in Productronica Fair 2007 which is more economical but efficient. Special attention in the designing of the new product platform has been paid to the amount and price-level of the parts needed in the production. The purpose has been to half the amount of parts and components needed in the production.

During the review period Cencorp delivered as planned the first Cencorp MTL-4 testing equipments for software download application as well as the VIC 500 for vision testing equipment for quality control.

Research and development

The R&D expenses for April–June totalled 6.5% of net sales, or EUR 0.3 (0.1) million of which no significant amounts were capitalised in the balance sheet.

Board, management and personnel

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 Mr. Sauli Kiuru, member, M.Sc. (Econ). The company's management team comprised of Mr. Jouni Suutarinen (CEO), Mr. Jarmo Kanervo (finance and administration), Mr. Ville Parpola (legal affairs and personnel), Mr. Kimmo Akiander (sales and marketing), Mr. Juha Kantola (production), Mr. Hannu Seppälä (testing business) and Mr. Pekka Kettunen (product development).

Cencorp employed an average of 129 (192) people from April to June. The payroll at the end of the period totalled 132 (187) employees: 113 (146), or 86% (78%), in Finland and 19 (41), or 14% (22%), abroad.

Share performance and changes in ownership

The price of the company's share ranged from EUR 0.27 (4-6/2006: EUR 0.68) to EUR 0.43 (4-6/2006: EUR 1.07) over the review period, the average share price being EUR 0.36 (4-6/2006: EUR 0.89). A total of 4,073,649 (4-6/2006: 8,284,974) shares, or 11.9% (4-6/2006: 26.5%) of the company's entire share capital, were traded during the period.

The company's market capitalisation at the end of the review period was EUR 14 million (6/2006: EUR 22 million).

At the end of the review period, the company had 5,870 registered shareholders (6/2006: 6,724). A total of 310,529 shares were nominee registered (6/2006: 240,623), i.e., 0.91% (6/2006: 0.77 %). Cencorp had a total of 34,250,591 shares outstanding at the end of the review period (6/2006: 31,250,591), and one share series.

Outlook for the future

More and more customers are looking for production solutions that are easily transferable according to demand between factories and continents. For this purpose standardized production equipment are most suitable. This change in its customer base has been noticed by Cencorp in its own strategy and because of this, the company moves to a fully standardized automation equipment manufacturer and supplier in the future.

Cencorp focuses on four product categories in its operations: odd-form component placement applications, PCB - sawing and routing products, test handlers of electronic products and laser applications.

The first commercial solutions of the laser business are aimed to be brought on the market during the second half of the year 2007. The first commercial versions of the

laser products are for PCB soldering and marking. Development version for PCB cutting will be launched simultaneously.

Technology partner of Cencorp, Corelase Oy, which was sold to Rofin-Sinar Technologies Inc. in April 2007 has informed that it will publish the commercial version of the fibre laser (X-Lase) during the last quarter of year 2007.

The Cencorp group's order backlog has developed positively. At the release moment the Cencorp group's order backlog was 6.4 million euros (2006: 2.2 million euros). The sales for the whole year are expected to increase from year 2006 and the operating profit (EBIT) for the second half of the year is estimated to be positive.

Because of the high economic cycle in the metal industry there was increase in the material costs in the second quarter and the margin level appeared below than anticipated. Thus, the company estimates the operating profit (EBIT) for the whole year will be negative.

Future risks and uncertainty factors

The most significant risks from Cencorp business perspective are related to the ongoing tight financing situation as well as to the development of the sales. Cencorp's sales forecasts are based on the company's own views as well as the sales development estimates from customers and the distributor network.

Interim Report Release

Cencorp Corporation will present its interim report 1-6/2007 to analysts, investors and the media on Tuesday, 21 August 2007, at 2:00 pm in Restaurant Savoy, Eteläesplanadi 14, 00130 Helsinki.

Virkkala 21.8.2007

Cencorp Corporation

Board of Directors

Tables can be found on the following pages.

CONSOLIDATED INCOME STATEMENT

(unaudited figures)

EUR 1 000	4-6/2007	4-6/2006	1-6/2007	1-6/2006	1-12/2006
Net sales	4 077	6 817	7 897	12 760	19 974
Other operating income	103	49	140	127	446
Expenses, total	-4 533	-6 421	-9 099	-13 393	-22 459
Depreciations and write-downs	-283	-304	-592	-595	-1 309
Operating result	-636	141	-1 654	-1 101	-3 348
Financial income and expenses	-334	-332	-651	-529	-1 526
Result before taxes	-970	-191	-2 305	-1 630	-4 874
Income taxes	-13	14	-12	-13	-25
Consolidated net result	-983	-177	-2 317	-1 643	-4 899

CONSOLIDATED BALANCE SHEET

(unaudited figures)

EUR 1 000	30.06.2007	30.6.2006	1-12/2006
ASSETS			
Long-term assets			
Tangible assets	1 672	2 124	1 778
Investment property	337	977	343
Goodwill	2 028	1 902	2 028
Other intangible assets	587	1 404	1 016
Incomplete product development projects	1 273	1 231	1 199
Deferred tax asset	1 725	1 803	1 723
Available-for-sale investments	17	20	17
	7 639	9 461	8 104
Short-term assets			
Inventories	4 782	4 863	5 188
Accounts receivable	3 837	8 250	5 589
Other short-term assets	1 075	690	1 323
Cash and bank receivables	923	292	937
	10 617	14 095	13 037
Total assets	18 256	23 556	21 141
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	3 425	3 125	3 425
Other restricted equity	4 432	4 158	4 432
Fair value fund		441	
Non-restricted equity	-7 533	-2 886	-5 224
Total shareholders' equity	324	4 838	2 633
Long-term liabilities			
Long-term loans	10 426	5 484	10 356
Deferred tax liability	332	333	361
Long-term reserves		129	
Total long-term liabilities	10 758	5 946	10 717
Short-term liabilities			
Accounts payable and other liabilities	4 599	6 282	4 450
Short-term loans	1 298	5 190	1 394
Long-term loans shortening	1 240	1 150	1 824
Tax liabilities		13	25
Short-term reserves	37	137	98
Total short-term reserves	7 174	12 772	7 791
Total liabilities	17 932	18 718	18 508
Total liabilities and shareholders' equity	18 256	23 556	21 141

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1.1. - 30.6.2006

(unaudited figures)

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 30.06.2006	3 125	4 158	-3 691	1 735	5 327

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1.1. - 30.6.2007

(unaudited figures)

EUR 1 000	Share capital	Other restricted equity	Translation difference	Retained earnings	Total
Shareholders' equity 31.12.2006	3 425	4 432	-3 254	-1 970	2 633
Translation difference			-35		-35
IAS 12				43	43
Net result				-2 317	-2 317
Shareholders' equity 30.06.2007	3 425	4 432	-3 289	-4 244	324

Accounting Principles for the Interim Report:

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent interim financial statements.

Explanatory comments about the seasonality or cyclicity of interim operations:

The company operates in business areas which are subject to seasonal fluctuations.

CONSOLIDATED CASH FLOW STATEMENT

(unaudited figures)

EUR 1 000	1-6/2007	1-6/2006	1-12/2006
Cash flow from operations	714	-339	-2 908
Cash flow into and from investments	-85	-186	332
Financial cash flow	-643	439	3 187
Increase(+)/ decrease(-) in financial assets	-14	-86	611

GROUP KEY FIGURES

(unaudited figures)

EUR 1 000	4-6/2007	4-6/2006	1-6/2007	1-6/2006	1-12/2006
Net sales	4 077	6 817	7 897	12 760	19 974
Operating result	-636	141	-1 654	-1 101	-3 348
% of net sales	-15.6 %	2.1 %	-20.9 %	-8.6 %	-16.8 %
Result before taxes	-970	-191	-2 305	-1 630	-4 874
% of net sales	-23.8 %	-2.8 %	-29.20 %	-12.8 %	-24.4 %
Total assets	18 256	23 556	18 256	23 556	21 141
Equity ratio, %	1.9 %	20.7 %	1.9 %	20.7 %	12.7 %
Gearing ratio, %	4014.20 %	232.6 %	4014.2 %	232.6 %	467.9 %
Gross investments	40	69	85	186	436
% of net sales	1.0 %	1.0 %	1.1 %	1.5 %	2.2 %
R&D expenditure	263	67	466	254	512
% of net sales	6.5 %	1.0 %	5.9 %	2.0 %	2.6 %
Personnel, average	129	192	135	199	185
Personnel, at end of period	132	187	132	187	156
Non-interest bearing liabilities	4 371	6 790	4 371	6 790	4 835
Interest bearing liabilities	14 157	11 530	14 157	11 530	14 610
Per-share key figures					
Equity per share*, EUR	0.01	0.15	0.01	0.15	-0.14
Earnings per share, EUR/share (diluted)	-0.04	-0.01	-0.09	-0.05	-0.15
Earnings per share, EUR/share (undiluted)	-0.03	-0.01	-0.07	-0.05	0.08
Share price trend					
High, euros	0.43	1.07	0.45	1.29	1.33
Low, euros	0.27	0.68	0.27	0.68	0.42
Average, euros	0.36	0.89	0.37	0.99	0.81
Price at end of period, euros	0.40	0.71	0.40	0.71	0.44
Market capitalization at end of period, EUR millions	14	22	14	22	15

CALCULATION OF KEY FIGURES

Equity ratio, %

$$\frac{\text{Shareholders' equity} + \text{minority interest} \times 100}{\text{Balance sheet total} - \text{advances received}}$$

Net gearing, %

$$\frac{\text{Interest-bearing liabilities} - \text{cash and cash equivalents and marketable securities} \times 100}{\text{Shareholders' equity} + \text{minority interest}}$$

Earnings per share (EPS)

$$\frac{\text{Profit before extraordinary items} +/- \text{minority interest of profit/loss for the period} - \text{taxes}}{\text{Number of shares adjusted for share issue (average)}}$$

Equity per share

$$\frac{\text{Shareholders' equity}}{\text{Number of shares adjusted for share issue at the end of the financial year}}$$

CONTINGENT LIABILITIES

(unaudited figures)

EUR 1 000	30.06.2007	30.06.2006	31.12.2006
Loans from financial institutions	12 712	7 439	13 069
Corporate mortgages granted	12 452	12 452	12 687
Real-estate mortgages granted	12 687	168	0
Other loans	1 445	1 758	1 541
Real-estate mortgages granted	0	0	0
Used bank guarantee facility	0	0	151
Real-estate mortgages granted	0	0	0
Given as collateral			
Corporate mortgages granted, total	12 687	12 687	12 687
Real-estate mortgages granted, total	0	168	0
Leasing commitments			
falling due during the next 12 months	89	118	112
falling due later	64	110	103
Rental liabilities			
falling due during the next 12 months	66	140	59
falling due later	70	156	59
Liabilities due to derivative contracts			
Forward exchange contracts	0	0	0
of which taken out to hedge the parent company's accounts receiva	0	0	0
of which taken out to hedge the parent company's other receivables	0	0	0

TRANSACTIONS WITH RELATED PARTIES

(unaudited figures)

EUR 1 000	1-6/2007	1-12/2006
Sales of goods and services		
Related party companies		
Photonium Oy	282	357
Purchases of goods and services		
Related party companies		
Photonium Oy	369	1006
Fees paid on the basis of consultation agreements		
Related party companies		
FT-Capital Oy	13	25
Convertible subordinated loans from related parties	650	650
Accounts payable to related parties	44	512
Other receivables from related parties	622	447
Accounts receivables from related parties	356	337

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